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Sent: 10/1/2012 1:32:26 PM

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Subject: CPUC Acts to Ensure Consumer and Market Benefits from Smart Meters: CPUC Press Release

FOR IMMEDIATE RELEASE PRESS RELEASE

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CPUC ACTS TO ENSURE CONSUMER AND MARKET BENEFITS FROM SMART METERS

SAN FRANCISCO, October 1, 2012 -- The California Public Utilities Commission (CPUC) has taken an important step to support the development of technology that will help consumers better manage their electricity use by using data available from Smart Meters.

The CPUC last week directed the state's investor-owned utilities (IOUs) to begin making the Smart Meters' built-in Home Area Network (HAN) functionality and benefits accessible to customers on a consistent, statewide basis, and to enable a third-party market that allows customers to utilize HAN devices of their own choice to monitor their energy consumption.

The HAN function of the Smart Meter allows customers to monitor their household energy consumption in real-time through a wireless device placed inside their home. Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas and Electric Company have installed more than 10 million Smart Meters that are already pre-equipped with the HAN function, which is a key step in advancing California's goals of providing timely, actionable information to customers to enable them to optimally manage or reduce their energy consumption and save money. A variety of HAN devices are being introduced by third-party manufacturers and becoming available in the marketplace. Customers will be able to choose and buy their own device that communicates with their Smart Meter through a secure wireless link.

As part of the CPUC's directive last week, the IOUs must revise their HAN implementation plans to ensure statewide consistency in HAN communication standards and deployment. This will encourage the development of a competitive, third-party retail market that allows consumers to choose and deploy their own HAN devices independent of the utilities.

"I, like many electricity customers, am eager to set up my own home area network. With an in-home display I will be able to see how much electricity I am using in realtime," said CPUC President Michael R. Peevey. "With a smart thermostat connected to my wi-fi router, I'll be able to control the temperature of my house with my smart phone from the office. I will be able to go to my local hardware store to purchase a HAN device and easily connect it to my Smart Meter. And eventually, I will be able to purchase smart appliances that help me save even more electricity and decrease my utility bill. The marketplace is innovating and the customer will benefit now that we've laid the foundation with Smart Meters. Our decision today is an important step in that direction."

The IOUs must begin accepting by Jan. 15, 2013, requests from customers to activate the HAN function on their Smart Meters and allow their in-home HAN monitoring device to obtain information on the household energy consumption measured by their Smart Meter at any instant. Because this is an emerging technology, the IOUs will roll out the support for the HAN function gradually. To ensure statewide consistency, the IOUs have been directed to establish a common process for accepting customer requests and establish a common standard for communications between the HAN monitoring device and their Smart Meters. Lastly, by Dec. 15, 2012, the CPUC directed the IOUs to begin educating their customers about the HAN functionality available with their Smart Meters and how to use it to manage electricity consumption.

"Our actions advance HAN device adoption by customers, which will be a very important step towards swiftly integrating smart grid with new technologies so consumers and businesses can effectively monitor energy programs such as demand response, energy efficiency, carbon footprint, Internet access, and appliance energy use," said Commissioner Timothy Alan Simon. "I believe that the activation and adoption of a HAN program will establish important strides towards a smarter electricity distribution grid." Said Commissioner Mike Florio, "Our directives today pave the way for companies in Silicon Valley and elsewhere to bring the benefits of new technology to the electric system. Ensuring that HAN implementation is done with consistency statewide will enable companies that may have products on the shelf to finally deploy those products to benefit consumers."

The proposal voted on is available at http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M028/K949/28949960.PDF.

For more information on the CPUC, please visit <u>www.cpuc.ca.gov</u>.

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