

# The Ticking Bomb: Competitive Electric Metering, Billing & Collection

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# Rules of the Road

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- 💣 Deregulate only where there is meaningful competition
- 💣 Deregulate only where there is not a natural (economic) monopoly

# Deregulation of Generation

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- Robust competition
- Ability to bring to market
- Freely traded as commodity
- Minimal differences in quality
- Minimal barriers to entry

# Billing and Metering

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- Massive infrastructure required
- Economies of scale
- Barriers to entry
  - ✓ Labor intensive
  - ✓ Investment in equipment
  - ✓ Support structure

# Problems with Optional Approach

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- 💣 Cherry picking
- 💣 Increase average cost
- 💣 Confusion
- 💣 Inefficiency
- 💣 Risk to public safety
- 💣 Deters competition for generation
- 💣 Harms small suppliers

# Regulatory Problems

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- 💣 Weights and measures
- 💣 Licensing of installers
- 💣 Consumer protection
- 💣 “Virtual disconnection”
- 💣 Federal vs. state jurisdiction

# Consumer Credit Exemptions

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This subchapter does not apply to the following:

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(4) Transactions under public utility tariffs, if the Board determines that a State regulatory body regulates the charges for the public utility services involved, the charges for delayed payment, and any discount allowed for early payment.

– 15 U.S.C. § 1603 (Consumer credit disclosure)

The Commission shall by regulation exempt from the requirements of this subchapter any class of debt collection practices within any State if the Commission determines that under the law of that State that class of debt collection practices is subject to requirements substantially similar to those imposed by this subchapter, and that there is adequate provision for enforcement.

– 15 U.S.C. § 1692o (Debt collection)

# Solutions

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- 💣 Billing and metering remain regulated functions of distribution company
- 💣 Open architecture
- 💣 Standardized data transfer



# Advantages

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- Economies of scale
- Minimize average cost
- No discrimination
- Avoids new bureaucracies
- All suppliers treated equally
- Other meter-based services  
subject to regulatory safeguards