# Backgrounder Renseignements



Ministry of Energy

Ministère de l'Énergie

July 26, 2006

# **Smart Metering Initiative**

The Ministry of Energy (Ministry) has entered into an arrangement with the Independent Electricity System Operator (IESO) whereby the IESO will support the government's Smart Metering Initiative (SMI) by coordinating and project managing implementation activities. The IESO's Smart Metering System Implementation Program (SMSIP) specifically pertains to the delivery of the meter data management / meter data repository (MDM/R) functionality, including all interfaces between the MDM/R and local distribution companies' smart metering and customer information systems.

The detailed scope of work to be undertaken by the IESO to ensure the success of the SMSIP will be described in draft regulations and a project governance document which will be posted on this site. The project governance document will also describe the overall organization of the implementation program, including the engagement and ongoing roles and participation of key stakeholders.

#### **IESO** Responsibilities

The IESO's main objective is the establishment of the MDM/R functions and its successful system integration into the end-to-end Smart Metering Infrastructure and customer information systems. To that end, the Program Management of the SMI will be the responsibility of the IESO. The IESO will establish a framework and plan to ensure all required implementation activities are met in order to achieve the project objectives.

The development and delivery of the MDM/R, including procurement, technical specifications, standards and integration with the metering infrastructure and customer information systems owned by local distributors will all be managed by the IESO. A stakeholder engagement process will be initiated to ensure that critical input from industry participants such as LDCs, Retailers, Energy Service Companies and other third party groups is included in the development and decision making process.

#### **Ministry of Energy Responsibilities**

The Ministry will continue to be responsible for ongoing policy oversight and monitoring of the SMI to ensure that the government's policy objectives are met. This will include budget review and timely decisions in respect of policy issues and regulations to support and guide implementation.

The Ministry will work in close partnership with the IESO and other agencies and stakeholders in the sector to coordinate an effective consumer education and awareness program, both for the introduction of Smart Meters and to facilitate an ongoing "consumer friendly" interface for consumers. The success of the SMI will depend on the extent to which electricity consumers are able to use smart metering to take advantage of opportunities for conservation and better manage their consumption and, as a result, their energy costs.

### Local Distribution Companies (LDCs)

Through their involvement in the Program Advisory Committee and the stakeholdering process LDCs will have a voice in the design of the MDM/R and overall implementation. The LDCs will continue to own and be responsible for their Advanced Metering Infrastructure (AMI), which will support and integrate with the MDM/R and for their Customer Information Systems (CIS) which will receive data from the MDM/R.

Each LDC is also responsible for managing the transition in their communities.

## **Project Governance**

The IESO will setup a Program Advisory Committee which will be co-chaired by the IESO and the Ministry. The committee will be comprised of representatives from the Coalition of Large Distributors (CLD), Local Distribution Companies (LDCs), the Electricity Distributors Association, the Ontario Energy Board, Conservation Bureau of the Ontario Power Authority, Retailers, and Energy Service Companies.

The Committee will provide ongoing advice on the overall direction, development and management of the program. The Committee can also be expected to influence communities outside of the specific SMSIP workstreams to support the objectives of the program.