

**“Take up the Spear:  
Charging into Our Shared Energy Future”**

1 Millionth Smart Meter

Press Event

Remarks

by

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## **Take up the Spear: Charging into Our Shared Energy Future**

“Good morning. My name is Kenny Mercado, CenterPoint Energy Senior Vice President responsible for Regulated Operations Technology. Thank you for joining us today. This is a celebration for the installation of our one-millionth [smart] meter. We want to welcome you to the Energy InSight Center, where our Smart Grid journey began five years ago. We use this facility to demonstrate the technology of the Smart Grid as we continue to go further in our advancement of operations technology.

“By summer of next year we will have more than two million [smart] meters installed across the greater Houston area. In 2013, we will complete the first phase of our intelligent grid, which will improve reliability and restoration efforts. Together, these projects are making Houston one of the world’s smartest cities when it comes to electricity.

### **CenterPoint Energy can’t do it alone**

“Since the Public Utility Commission of Texas authorized our deployment in December of 2008, we’ve been working closely with the PUC and other utilities to make Texas the vanguard of states delivering smart benefits to consumers. We are delivering these benefits more quickly with the \$200 million stimulus grant, thanks to the United States Department of Energy, and we’re happy to have Don McDonald and Chris Irwin here representing DOE this week and witnessing the fruit of our investments.

“Also, we have [smart meter manufacturer] Itron’s CEO, Malcolm Unsworth. Frank Lewis is here to represent IBM, [which is handling project management.] GE is providing the radio communications. This system is not just a metering project; it’s a communications network. We’re building a system that will take the data from the home and ship that data to ERCOT and what we call the Smart Meter Texas Portal.

“Fourthly, we’d like to recognize e-Meter. This is also a software project. We have a software system that’s integrating all these end-points. Then we’ve got to have a system that takes that data and converts it into outcomes. E-Meter has been our software vendor since the very beginning of this project.

“Finally, we have a very important partner who we’ve been in business with for decades, North Houston Pole Line – a part of the Quanta Services Company. Every one of our crews working today – we have over 80 individuals working in the field – are dealing with the consumers when we replace the old meter, put in a new meter. They are the face of our company and have done a phenomenal job.

“Energy InSight is more than meters – it’s also people. Smart meters need smart consumers if they’re [going to] work. We’re happy to have two of those consumers – Ruth and Craig. They have already proven that taking control of your consumption can make a difference. That’s why we call our system of smart technologies Energy InSight – it’s the intelligence that gives CenterPoint and consumers the ability to transform the way we purchase, deliver and use electricity.

### **Smart meters and an intelligent grid – “on the point of the spear”**

“Sixteen months ago, we were awarded one of six, \$200 million stimulus grants from the Department of Energy’s Smart Grid Investment Grants. The Secretary of the Interior, [Ken] Salazar came to Houston about a year ago and declared CenterPoint Energy to be on the point of the spear in leading the nation’s smart grid deployments. We continue to charge ahead with a spear in hand, having received now over \$115 million from the Department of Energy in less than a year. Those dollars have been put to work immediately.

“This will allow us to continue on with our plans for the first phase of the Intelligent Grid Project, which started construction in the fall of last year and will complete in the middle of 2013. Thus far these projects have created and retained more than 500 jobs in the local economy in the areas of metering, telecommunications, information technology, business analysis, and more. These projects are providing opportunities for our employees and they’re redefining the skills of tomorrow’s utility workforce. With the help of additional grants from the Department of Energy and the Texas Workforce Commission, CenterPoint Energy is partnering with the University of Houston, San Jacinto College, and others, in a Smart Grid Energy Training Coalition as we continue to help to prepare the workforce.

“The economic benefits and successes of our project have helped us become recognized as a smart grid leader – not only here in Texas but across the United States thanks to the hard work of many of you in this room. Last fall we were recognized and ranked 25<sup>th</sup> in a government report of the Top 100 American Recovery and Reinvestment Projects. We’re very proud of that recognition.

### **Transforming the purchase, delivery, and use of electricity**

“Smart meters and an intelligent grid will help CenterPoint deliver electricity more efficiently and effectively. We read smart meters today remotely. This virtually eliminates the need to visit a house, which means more privacy for homeowners. We can also connect and disconnect meters remotely, which means customers can start, stop or transfer service to any retail provider that they choose quickly easily. We have executed over 650,000 electronic service orders. This is reducing trucks that are traveling on our roads. It’s reducing consumption of fuel and emissions. We think it’s helping the environment in a very direct manner. Smart Meters will also automatically notify us when the power’s

out. We're excited about the ability to not only be notified of a power outage without a customer calling us, but also being able to reply back to that customer before they call us and tell them that we're aware of the outage.

"Phase I of the Intelligent Grid includes the inner-loop of Houston, plus the ship channel, but following its completion in 2013, we hope to extend power reliability and restoration improvements all across our service territories. We're not going to stop in 2013. We're going to work hard to extend our intelligent grid over the years to come. Smart meters stand to transform not only the delivery but also the purchase and use of electricity. The electric market in Texas is said to be the most competitive in the world and consumers today have ample choices with more than 80 retail energy providers. Soon they'll be able to see all different types of products and services.

"Consumers all across Texas today are getting frequent, detailed and actionable electricity usage [data] directly from the Smart Meter Texas Portal. In addition, CenterPoint Energy has put an in-home display in a few hundred consumers' homes to prove that the technology doesn't stop at the meter. It actually comes inside the home and provides you real data that you can use to take control of your usage. Gone are the days of waiting for your bill each month to see how much electricity you've used. You now have access to data. You can make decisions. Smart meters and in-home displays are just a part of the smart home of the future. Smart thermostats and smart appliances will give consumers more control of their energy usage.

"Today we have two consumers who have taken control [of their energy consumption]: Ruth Diorio is a leading participant in our Energy In-Home Display project. She is also registered to view her usage at Smart Meter Texas.com. This chart is an example of her house just a few days ago. You can see how she uses electricity from midnight to noon. She can also evaluate her data daily for 30 days. She can see what day of the week she's using more electricity and what day of the week she's using less. She can begin to ask questions to her family members and create some planning around how to properly consume electricity.

"In addition, Ruth goes around her house with her in-home display and turns things on and off. So, she knows how much [electricity] she's using [for] every appliance in her house. She's proven that she's saving about \$30 a month, which is over \$350 a year. She feels that the reward has already taken place in less than a year.

"Her newest friend is Craig Funni, our one-millionth smart meter customer. He is a hero now. His neighbors talk about him. Craig has immediately become a user of the Smart Meter Texas Portal. It won't be long before he'll be able to show the same types of benefits at his house and we're hopeful that the two of you will spread the word and tell Houstonians why becoming smart is important.

“We’re very proud of our millionth meter, and we believe that the successes that we’ve seen so far are just the beginning. Thanks for your contributions in helping us celebrate this moment of our one-millionth meter and, a year from now, we’ll be right back here celebrating the conclusion of this project when we reach 2.2 million meters.”