Silver Spring signs deal to make Sacramento meters smart

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Silver Spring Networks, one of the major players in the smart meter space, announced today that it signed a deal with the Sacramento Municipal Utility District to deploy a wireless network connecting smart meters for 600,000 homes and businesses in Sacramento County by March 2011.

The focus of the roll out is to provide residents and business owners with the data they need to make more prudent choices about their energy consumption. The utility will also be able to see almost instantaneously exactly how much energy is being used and where in its service area. This is no small deal for Silver Spring — the SMUD is the sixth largest community-owned electric utility in the country. This expands the company’s footprint of 20 percent of the U.S. population and its band of utility partners including PG&E, Pepco and Florida Power & Light.

The deal keeps the ball rolling for Silver Spring this month following the early-June announcement that it will be partnering with General Electric for a pilot program with Commonwealth Edison in Illinois. If approved by the state’s commerce commission, the project will deploy 141,000 meters in and around Chicago, with potential to tap further into the utility’s 3.8 million customers in the region. It will also be more experimental, testing web interfaces and in-home displays where consumers can view their energy use and costs, as well as alternative pricing plans and programmable thermostats that can be adjusted remotely.

The latest deal with SMUD will also further the utility’s progressive reputation — it will be the first California utility to meet the state’s new stringent clean power requirements and has plans to exceed them by more than 50 percent in the next decade. The meters, built by Landis+Gyr, will be an important step in achieving these goals. In addition, SMUD is also eyeing partnerships with battery technology providers in order to build out its energy storage infrastructure.

Last year, the utility rolled out a preliminary energy reporting system with another startup called Positive Energy. Basically, it sent out detailed letters to about 35,000 SMUD customers comparing their energy use to that of others. After a short trial, it was clear that customers were conserving energy in response to reports and that they liked having more information. In 2008, the utility reported that its energy efficiency programs over the last 35 years have saved its customers upwards of $550 million — and nothing on the scale of the Silver Spring partnership has been implemented before.

Silver Spring is also doing well on the financial front, having just closed $90 million in capital in March from Kleiner Perkins
Caufield & Byers, JVB Properties, Foundation Capital and Edison Electric Institute. It might also benefit from some of the $4.5 billion in stimulus funds allocated to smart grid initiatives, but that remains to be seen.

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