

# NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES

## Resolution 2024-02

### Updating NASUCA Resolutions 2009-01, 2009-03, and 2009-07 Regarding Time Varying Rates for Electricity Usage

*Whereas*, on June 30, 2009, NASUCA approved three resolutions regarding smart metering and the smart grid, and each resolution addressed dynamic pricing programs; and

*Whereas*, in Resolution 2009-01 on Advanced Electric Metering and Advanced Electric Metering Infrastructure Principles, NASUCA resolved:

- That the implementation of advanced metering should not lead to mandatory or “opt-out” dynamic pricing of electricity usage for residential and small commercial customers. Residential customers and small commercial customers should continue to be provided electricity under existing rate designs unless they affirmatively choose to receive dynamic prices that use smaller time increments, such as time-of-use rates or hourly pricing. Similarly, a customer should not be required to cycle off an air conditioner or other appliance in exchange for a bill credit unless the customer affirmatively chooses to be part of such a program; and

*Whereas*, in the Resolution 2009-03 on the Smart Grid, NASUCA resolved:

- That the implementation of Smart Grid should not lead to mandatory dynamic pricing of electricity usage for residential and small commercial customers; and

*Whereas*, in the Gas Committee Metering Resolution 2009-07, NASUCA resolved:

- That the implementation of advanced metering should not lead to mandatory or “opt-out” dynamic pricing of electricity usage for residential and small commercial customers. Residential customers and small commercial customers should continue to be provided electricity under existing rate designs unless they affirmatively choose to receive dynamic prices that use smaller time increments, such as time-of-use rates or hourly pricing. Similarly, a customer should not be required to cycle off an air conditioner or other appliance in exchange for a bill credit unless the customer affirmatively chooses to be part of such a program; and

*Whereas*, since these resolutions were approved, the majority of utility customers are now served by some type of digital meter technology; and

*Whereas*, since these resolutions were approved, the electricity industry has been impacted by new technologies and shifts in policy priorities in several states such as increased availability of electric vehicles and an increase in policies to enhance system resiliency and to implement greenhouse gas and renewable generation standards; and

**Whereas** several states have enacted policies that either allow or mandate gas and electric utilities to place customers on mandatory or opt-out Time of Use (TOU) rates or dynamic pricing rates, such as Real Time Pricing and Critical Peak Pricing, due to these shifting policy priorities or other considerations; and

**Whereas** these state-level policy changes result in NASUCA having to advocate policy based on existing Resolutions that are at odds with some of its members; and

**Whereas** the term “dynamic pricing” in previous NASUCA resolutions may not capture all rate options used by states that vary by time; TOU rates, for instance, are not considered “dynamic” by some states because the timing and rates are specified under such programs; and the broader term “time-varying rates” encompasses dynamic pricing programs as well as TOU rates;

**Now, therefore, be it resolved** that NASUCA hereby revisits the policy for rate options addressed in Resolutions 2009-01, 2009-03, and 2009-07 as follows:

- NASUCA supports the ability of states to respond to shifting policy priorities with different rate options for utility customers; and
- NASUCA takes no position on whether time-varying rates should be opt-in or opt-out; and
- NASUCA takes no position on whether time-varying rates should be mandatory; and
- NASUCA encourages states to thoroughly evaluate the potential impacts of different rate options on customers; and
- NASUCA encourages states to implement robust customer education with their rates and any applicable options because education is a critical component to maximize both system and individual customer benefits, minimize customer confusion, and ensure appropriate customer participation.

**Be it further resolved**, that NASUCA authorizes its Executive Committee to develop specific positions and take appropriate actions, consistent with the terms of this resolution and the needs of its Members and their utility consumers. The Executive Committee shall notify the membership of any action pursuant to this resolution.

Submitted by the NASUCA Electricity Committee

Approved by the Membership  
November 10, 2024  
Anaheim, California

**Voted No**

Alaska  
Pennsylvania  
Ohio  
Illinois AG  
TURN

**Abstained**

Tennessee AG  
North Carolina AG