

Common questions on metering

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A few often-asked questions — and answers — on metering by the *Star's* Donna Laporte:

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WHAT IS SMART METERING?

Smart meters record electricity use by time of day and allow utilities to set higher rates for periods when power is most in demand.

The province plans for all Ontario consumers to have so-called smart meters installed by Dec. 31, 2010.

In condominium buildings that are bulk metered — about 90 per cent of condos in the Greater Toronto Area — smart sub-meters will have to be installed to monitor individual suite usage.

HOW DOES BULK METERING WORK NOW?

Costs for electricity are divided among owners through their maintenance fees, as set out in the building's declaration. You pay not only for your own electricity usage, but for that required to run the common elements, such as the chiller (for air-conditioning), boiler (hot water) and pumping systems.

Whether you conserve or are an energy hog, your share of the costs is based on your square footage. There is no individual incentive to conserve.

HOW IS SMART SUB-METERING DONE FOR CONDOS THAT WERE ORIGINALLY BULK METERED?

With advances in metering technology, it's now possible to retrofit by installing smart sub-meter panels in hallway utility closets and connecting them to existing distribution systems in the building.

Most condos have an electrical closet on every second or third floor, with individual breakers for each suite.

By installing a current transformer, which looks like a doughnut, over the wiring to your suite, it's possible to measure how much electricity you use. A smart sub-metering panel about size of a clipboard measures and records information for about 20 suites.

By knowing how much power you use, you can make lifestyle changes to reduce your costs.

It takes less than two days to sub-meter an average building this way.

Cost is estimated to be \$400 to \$600 per suite, according to industry sources. Some companies will waive that fee in return for a long-term contract with a condo corporation, much like a cellphone contract.

Other buildings may choose to be rewired.

WHAT ABOUT NEWER BUILDINGS?

There are two main scenarios:

1. The condo corporation owns the wiring and cables and is responsible to the local utility for the bulk bill.

Both the bulk meter and individual meters are "smart meters."

The corporation hires an energy management company to read meters and send bills to individual suites. The homeowner pays for in-suite usage. The energy management company then turns the money over to the condo corporation, which in turn pays the utility company.

Let's take an example:

Condo corp. "A" gets a \$40,000 invoice from the local utility.

It breaks down like this: The owners' individual bills add up to \$24,000; the common element costs add up to \$16,000.

The energy management company collects the \$24,000 and turns it over to the condo corp., which pays the entire bill.

Costs for common element usage continue to be factored into maintenance fees.

The condo corporation (or its property management company, if there is one) can buy energy at a fixed price through a long-term contract, or on the spot market (in which prices fluctuate), achieving savings through bulk buying and passing them on to the suite owner.

An alternative is to allow the energy management company to collect from suite owners *and* the corporation and pay the entire bill on their behalf. Any bulk savings can be passed on to the owners.

2. An energy management company installs the wiring and cables for the developer and maintains ownership of that infrastructure upon turnover of the building. This will be noted in the agreement of purchase and sale. The local distribution company, or utility, as it's known — for example, Toronto Hydro-Electric System Ltd. — provides service up to the building.

The energy management company essentially becomes a customer of that utility, and passes through the costs of electricity to suite owners.

The energy management company is not allowed to mark up the cost, but can charge for billing and monitoring services.

As it is operating on private property (the condominium), the energy management company is exempt from needing a licence — for now. That could change when the regulations are completed for the implementation of Bill 21.

The energy management company can arrange for condo owners to buy energy from other retailers, such as one providing "green" energy, but there is no requirement yet for them to do so.

A third scenario has the local utility company meter each suite. This is uncommon in new buildings

today, but could change in future.

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