



Smart Meter Petition, Purple Posts, and Public Private Partnerships

When residents of Smithville, Texas, learned the city had contracted for major utility infrastructure changes, including an analog-to-smart meter conversion, no one was prepared for what happened next. At a citizen-led meeting on November 5, the city council endured what some believed was well-deserved backlash for not communicating the decision to the public. Also, many folks claimed concerns over bigger issues associated with Smart Meters, such as potential adverse health and fire hazards, privacy and cybersecurity concerns, and the probability that the city entered into a Public Private Partnership (P3) to fund the project. Weeks later a truce was reached when the council voted to provide an “opt-out” choice (at a cost) for utility customers wishing to retain their analog meters. Once in a while you can fight city hall. Sort of.



After learning that the city council wasn’t offering an opt-out (available in other Texas cities) with the conversion, a few opponents hosted the November [meeting](#) with startling results. By simple bulk-mail invitation, residents were encouraged to attend the meeting discussing potentialities of smart electric meters. An unprecedented number showed up to hear two representatives from Ameresco (the contract vendor) and two speakers (in opposition) from other Texas towns debate the apparatuses. But many attendees didn’t wait for the presentations to begin before shouting questions to anyone listening — the highly charged assembly became an unintended forum for residents voicing their anger that such an important, and expensive, decision had been made without any resident input or proper vetting of problems inherent with the devices. The gathering degenerated to a showdown when one council member who was present heatedly defended the council’s decision, but too little, too late — folks were angry.

One resident described the meeting as “almost an insurrection,” after which a woman in the hall secured the moderator’s notes, turned a page over, and started an on-the-spot petition to urge the council’s reconsideration of the entire project. The city quickly responded by hosting three meetings to explain the project, and then to offer a proposal for allowing a customer “opt-out.” In spite of the council’s quick and thorough response, it wasn’t enough to assuage all concerns — many residents began their own research and found that Smart Meters might not be such a Smart Idea. In the meantime, some opponents urged the like-minded to pull out the paint — in Texas, believe it or not, a post or boundary marker painted purple is codified as a legitimate and binding “No Trespassing”



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warning — effectually putting meter installers on notice.

Yet lost in the shuffle was perhaps the most important discussion of all — in spite of council attempts to explain the project's complicated funding, most folks still don't understand it. Smithville, like many cities, moved away from traditional bid procedures when considering this new project.

Journalist Alex Newman has done comprehensive research when it comes to [Smart Meters](#), including the [funding](#) mechanisms used for most U.S. projects.

Of course, the rollout of the smart meters in the United States, like countless other ongoing controversies, was funded in large part by billions of American taxpayers dollars through the 2009 “stimulus” scheme passed by Democrats in Congress and demanded by Obama. “It will make our grid more secure and more reliable,” Obama [claimed](#) at the time in announcing the stimulus-funded “Smart Grid” plot.

Smithville City Manager Robert Tamble recounted expressing incredulity when informed by vendor Ameresco Account Executive George Rash that the [Smithville](#) project could be implemented without cost to the city, a “revenue-neutral” project. Through a complex agreement using a Qualified Energy Conservation Bond (QECB) it is, at its source, funded by such stimulus monies as reported by Newman.

A [QECB](#) is defined as such: “In the American Recovery and Reinvestment Act of 2009 (ARRA), Congress increased to \$3.2 billion the total face amount (‘allocation’) of QECBs that states, territories, large local governments, and tribal governments could issue to finance renewable energy and energy efficiency projects.”

Now you know what happened to the money you lost in 2008. But what does all that mean? P3s, not often identified as such in a contract, have this in common. Government (read taxpayer) funds are used to guarantee profits to a private investor contracted for a public project. Profits are generated at taxpayer expense, but due to the long-term nature of most P3s, it's difficult to predict all possible contingencies. In the end, a P3 simply privatizes profits and makes the public pick up losses. Witness the granddaddy of all P3s (at the time) when the monstrosity unpopular TransTexasCorridor ([TTC](#)) was exposed a decade ago. Funded by a P3 involving Cintra (Spain) and Texas Department of Transportation, the scheme put taxpayers on the hook for any toll-derived revenue that failed to materialize. A decade later, the only completed portion of the TTC faced exactly that. Due to a lack of toll road use, projected revenue wasn't met, Cintra faced [bankruptcy](#), and taxpayers were first up for the loss.

No wonder people struggle with new-fangled funding mechanisms, never mind the ethics involved. Jim Keller, a Smithville property owner and one of the folks leading the opposition, put it this way, “It's a lot harder to ‘un-buy’ a high-tech solution, than it is for well-meaning leaders to borrow the money and unwittingly commit a boondoggle.”

Indeed. And in Texas, opposition continues. As early as 2012, after Smart Meter projects began rolling out across the state, hundreds of folks showed up at a Public Utilities Commission [hearing](#) seeking ways to opt-out of having Smart Meters installed on their homes. And the controversies remain. On November 6, one day after the Smithville citizen meeting, Texas House Speaker Joe Straus charged the Texas [Legislature](#) to (among other things):

Examine how the Public Utility Commission of Texas, when applicable, and utility providers, whether vertically integrated, privately owned, or municipally owned, can ensure consumer protection regarding metering devices for water, gas, and electricity service. Review recent



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examples of inaccurate or confusing billings and offer recommendations on appropriate consumer recourse and appeal.

Left unclear for now is what “ensured consumer protection” and “consumer recourse” will look like, but it’s a start. The issue’s once again on the radar at the state level.

Tamble responded to citizens’ concerns by crafting an opt-out, but said he hadn’t known about the idea until residents made him aware, although in this unorthodox way. He promised the city would do a better job in communicating with the public, but admonished residents to do their parts. In other words, had folks taken a more participatory role in civic affairs, they wouldn’t have been so surprised. Many still grumble that the project is here to stay, but securing the opt-out choice at the last minute was no small feat.

In fact, Tamble’s right. Without individual assumption of responsibility, proper function of government at any level cannot be assured. The take-away should be that with a proper government, and adequate citizen education, government creep and loss of liberty might look a whole lot different.

George Rash of Ameresco was contacted for this article, but hadn’t responded by press time.



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