

Federal-State Cooperation Can Remove Delays, Obstacles to Achieving Smart Grid Benefits, Regulators Are Told

SACRAMENTO, Calif.--([BUSINESS WIRE](#))--In their first face-to-face meeting, the leaders of the Smart Grid Interoperability Panel (SGIP) and utility regulators explored options for increasing state-level participation in developing the standards needed to modernize nation's electric power system with two-way communication and control capabilities. Such capabilities will be needed to give consumers greater control over their energy bills, facilitate charging of electric vehicles, enable high penetrations of renewable energy, and improve the reliability of the power system.

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Attending the annual summer meeting of the National Association of Regulatory Utility Commissioners (NARUC), which concluded yesterday, SGIP representatives briefed utility regulators on the array of standards-related activities intended to support cost-effective deployment of current and future Smart Grid technologies. State participation in these activities, according to the SGIP leaders, is key to ensuring that the emerging technical specifications further both state and federal policy goals and that U.S. consumers fully realize the intended benefits of the Smart Grid.

The Energy Independence and Security Act (EISA) of 2007 established development of the Smart Grid as a national goal. EISA also assigned the National Institute of Standards and Technology with “primary responsibility to coordinate development of a framework that includes protocols and model standards for information management to achieve interoperability of smart grid devices and systems.”

Last November, NIST initiated the SGIP to sustain its efforts in coordinating, accelerating, and harmonizing the development of standards needed to support early Smart Grid deployments and to enable new energy-related technologies and applications in the future. The SGIP now has more than 600 member organizations distributed among 22 stakeholder categories, from investor-owned utilities to consumers to information technology suppliers.

"Standards help define how the smart grid will develop and need to reflect regulatory policies in the different states," said Ohio Public Utility Commissioner Paul Centolella, who represents the “State and Local Regulators” stakeholder category on the SGIP Governing Board. “The interactions at this meeting between the SGIP Governing Board and utility regulators represent an important step in ensuring utility regulatory commission participation in the development and adoption of consensus-based interoperability standards."

EISA directs the Federal Energy Regulatory Commission (FERC), once sufficient consensus is achieved, to institute rulemaking proceedings for adopting standards and protocols necessary to ensure Smart Grid functionality and interoperability in interstate transmission of electric power and in regional and wholesale electricity markets. However, the law did not expand FERC’s authority to enforce standards for electric distribution systems and retail markets, which state and local regulators oversee. On Sunday, FERC and state commissioners discussed smart grid standards during a meeting of the FERC – NARUC Smart Response Collaborative. Commissioners participating in the collaborative discussed opportunities for parallel FERC and state commission consideration of interoperability standards and exploring the possibility of a joint meeting or technical conference for FERC and interested state commissions.

George Arnold, NIST’s national coordinator for Smart Grid interoperability, briefed the FERC-NARUC Collaborative on Smart Response. He described the Smart Grid subcommittee recently established by the White House National Science and Technology Council to develop a long-term, comprehensive strategy for the Smart Grid. “We need strong collaboration with the states to encourage innovation and sharing of best approaches to deliver the Smart Grid's benefits to consumers," said Arnold, who is the vice chair of the new subcommittee.

John D. McDonald, general manager of marketing for GE Energy’s transmission and distribution business and chair of SGIP Governing Board, noted that the process for identifying and prioritizing needs for Smart Grid standards is open. By participating in the process now through the SGIP, he said, state regulators can shape the future of the Smart Grid.

“In the past, states usually did not get involved in the development of standards,” McDonald explained. “Once the standard is complete, it’s difficult to go back and address policy issues. We need state input throughout the process for developing Smart Grid standards.”

SGIP officers and board members also briefed the NARUC Committees on Consumer Affairs, Critical Infrastructure, Electricity, and Energy Resources and the Environment.

About the Smart Grid Interoperability Panel (SGIP)

The U.S. Congress through the Energy Independence and Security Act (EISA) of 2007 established the development of a “smart” electric power grid as a national policy goal. EISA tasked the National Institute of Standards and Technology (NIST) with coordinating efforts to build a comprehensive framework of communication protocols and other standards necessary to achieve a nationwide grid that effectively and securely accommodates two-way flows of energy and information. Initiated by the NIST, the SGIP was established in 2009 as a public-private partnership dedicated to the interoperability of Smart Grid devices and systems – from home appliances to transmission substations to wind farms and other bulk power generators. Currently, the SGIP consists of over 1,700 individual members from 600+ organizations located across the world. More information can be found at SGIPweb.org.

About the National Institute of Standards and Technology (NIST)

As a non-regulatory agency of the U.S. Department of Commerce, NIST promotes U.S. innovation and industrial competitiveness by advancing measurement science, standards and technology in ways that enhance economic security and improve our quality of life. NIST is leading the Federal Government’s efforts to coordinate and accelerate the development of standards to support the Smart Grid.

About National Association of Regulatory Utility Commissioners (NARUC)

NARUC is a non-profit organization founded in 1889 whose members include the governmental agencies that are engaged in the regulation of utilities and carriers in the fifty States, the District of Columbia, Puerto Rico and the Virgin Islands. NARUC's member agencies regulate telecommunications, energy, and water utilities. NARUC represents the interests of State public utility commissions before the three branches of the Federal government.