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May 22, 2009

TO: California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Attn: Rachelle Chong

DOCKET

08-DR-1

DATE MAY 22 2009

RECD. JUN 26 2009

Dear Ms. Chong:

The Association of Home Appliance Manufacturers (AHAM) Smart Grid Task Force would like to take this opportunity to provide The California Public Utilities Commission with a framework of the needs of appliance manufacturers and their suppliers as it relates to Smart Grid. The AHAM Smart Grid Task Force was created to allow AHAM members to work collaboratively to ensure that the voice of home appliance manufacturers and their suppliers is heard in regards to the development process of a Smart Grid.

Appliance manufacturers are concerned about the current direction of developments in the Smart Grid arena, specifically in regards to the consumer's acceptance of, and interaction with, Smart appliances. Consumer approval is absolutely necessary for the success of the Smart Appliance concept.

The following is an initial list of high level positions the Task Force has agreed upon for an approach to the development of standards for Grid Enabled Smart Appliance Systems. More details regarding these comments will be provided in the near future.

- 1) All message protocol definitions from the Smart Grid should exist in an open standards format to ensure inclusive manufacturer participation and to allow manufacturers to achieve maximum interoperability.
- 2) Initially some Smart Appliance systems and corresponding standards may support one-way communication, while others may support two way communication. Since the utility can determine responses to commands by monitoring the Smart Meter measurements, this requirement seems reasonable. A limited number of messages will be used for this communication. AHAM will work to further develop these details in the following weeks.
- 3) Next generations of Smart Appliance Systems may consider two way communications. This communication will likely be through an in-home managerial control system. As stated above, a limited number of standardized messages will be used to support this communication and details will be forthcoming in the following weeks. This does not

preclude additional protocols and messages from being used for communication with Smart Appliances from the in-home managerial control system.

- 4) In all cases, the Smart Appliance will retain control of the appliance response. The Smart Appliance will always allow the consumer the option to override a power reduction command, if the consumer desires.
- 5) The Smart Appliance may respond to rate level instructions from the utility in one of the following ways: 1) shedding load at a limited number of levels (for example, four or five possible power consumption levels) all under direct control of the appliance, 2) responding to commands from the in-home managerial control system (which is interpreting or managing the information from the utility, or 3) presenting the consumer with information that would encourage the consumer to delay use at that time.

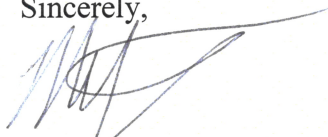
The consumer will always have the option to override these actions and resort to full power usage or different energy modes.

- 6) AHAM members are also concerned that the rate structures being considered do not incentivize or educate consumers. Thus, consumers may not be inclined to utilize smart products and the demand response opportunity will be lost.

The AHAM Smart Grid Task Force is currently in the process of developing use cases that will drive a Reference Design document, which could be adopted as a voluntary standard.

We would like to meet with you sometime in the near future once we have developed our use cases to discuss where we are headed. In the meantime if you have any questions or issues you would like to discuss, please feel free to contact me.

Sincerely,



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