



# “What Key Smart Grid Areas California Must Address First”

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# 1. What can policy makers do to encourage research investment in Smart Grid technologies?

- ◆ Define California's Smart Grid Vision
  - ❖ Federal focus is synchro phasors, distribution automation, large-scale energy storage, demand response, PHEV infrastructure (transmission & distribution focus)
  - ❖ Ensure a customer connection—Smart Grid can help end-users become more efficient and help lower customer bills
  - ❖ Recognize the supply-side through demand-side continuum of Smart Grid and how new technologies when integrated can enable the whole system to be more efficient & reliable
  - ❖ Align Smart Grid priorities with CA's policy objectives from RPS to Energy Efficiency and Climate Change mitigation
- ◆ Determine gaps to establish research priorities
- ◆ Fund the priorities



## 2. Are California's policies driving the California Grid away from the National Grid?

No.

- ◆ California has always exhibited leadership and should continue to do so
- ◆ Transmission planning, development and cost allocation are best done regionally
- ◆ A national approach could force investment in transmission assets that might not benefit local or regional entities and could reduce investments in regional renewables
- ◆ California policies should drive the national grid to California, rather than the other way around
- ◆ California has led the way in—
  - ❖ Building efficiency standards
  - ❖ Appliance standards
  - ❖ Emission standards
  - ❖ Renewable Portfolio Standards
- ◆ We should continue to lead the way in our Smart Grid efforts



# 3. Are California energy policies too aggressive?

Sometimes

- ◆ High-level goals are okay—AB 2021, AB 32, SB1
  - ❖ SMUD has EE goal of 15% over ten years
  - ❖ SMUD has goal of 90% reduction in GHG by 2050
- ◆ The issue is outlining “how” the goals must be met – micromanagement through “one-size-fits all” requirements limits innovation and drives up cost for consumers
- ◆ Set the high-level goals and give us flexibility and time to achieve those goals
- ◆ Keep goals aligned to low-carbon end-game
- ◆ Support the principle of Technology Neutrality – allowing for local solutions and specific services or best practices to be proven in a competitive market
- ◆ Intervene only after it is clear we are not achieving the intent or the goal



## 4. How do we avoid repeating the problems experienced during deregulation?

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This isn't the same

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- ◆ Establish reference design gateways
  - ◆ Establish open protocols for control of devices
  - ◆ Regulation should focus on consumer protection
  - ◆ Recognize the important role of customer serving utilities as new 3<sup>rd</sup> party players enter the electricity arena due to Smart Grid technology convergence
  - ◆ Maintain a level playing field as 3<sup>rd</sup> party players are not subject to the same regulatory framework as utilities and may not have customer's best interests driving their business models
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## 5. What do you need from policy makers to make the Smart Grid a reality?

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- ◆ Establish high level goals
  - ◆ Ensure flexibility in achieving those goals
  - ◆ Establish open protocols that are fair and drive down costs
  - ◆ Ensure fair play in the market
  - ◆ See answers to question #1
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