

# Getting Smarter

Is the Smart Grid Ready for Prime Time?



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Federal Energy Regulatory Commission*

Hershey, PA  
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# FERC's Proposed Policy Statement

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- ⇒ Issued on March 19, 2009 (in Docket # PL09-4).
- ⇒ FERC's proposed policy statement and action plan provides guidance to inform the development of a smarter grid for the nation's electric transmission system. The PPS focuses on:

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- (1) Prioritizing the development of key standards for interoperability of Smart Grid devices and systems;
- (2) A proposed rate policy for the interim before the standards are developed for Smart Grid investments that demonstrate system security and compliance with Reliability Standards, the ability to be upgraded, and other criteria.

# Taking Full Advantage of Technology

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- ➔ Smart Grid advancements will apply digital technologies to the grid, and enable real-time coordination of information from both generating plants and demand-side resources.
- ➔ This will improve the efficiency of the bulk-power system, with the goal of achieving long-term consumer savings, and will enable demand response and other consumer transactions and activities that give consumers the tools to control their electricity costs.

# What FERC is Doing

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The proposed policy statement and action plan seeks to provide guidance on standards for four important elements of the Smart Grid:

1. **Cyber Security**: Advise NIST to assure each standard and protocol is consistent with the overarching cyber security and reliability requirements of EISA and FERC Reliability Standards.
2. **Inter-System Communications**: Identify standards for common information models for communication among all elements of the bulk power system – regional market operators, utilities, demand response aggregators and customers.

## What FERC is Doing (con't.)

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3. **“Wide-Area Situational Awareness”**: Ensure that operators of the nation’s bulk power system have the equipment that gives them a complete view of their systems so they can monitor and operate their systems.
4. **Coordination of the bulk power systems with new and emerging technologies**: Identify standards development that would help accommodate the introduction and expansion of renewable resources, demand response and electricity storage to help address several bulk power system challenges. Also identify standards development that could help accommodate another emerging technology, electric transportation.