

STATE OF NEW YORK

Public Service Commission

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IDEAS SOUGHT ON HOW TO MAKE ELECTRIC GRID SMARTER — PSC Kicks Off Proceeding to Examine Smart Grid Regulatory Policies —

Albany, NY—07/15/10—The New York State Public Service Commission (Commission) today commenced a proceeding to take a hard look at developing cutting-edge regulatory policies that will be needed to encourage the development of the smart grid and the overall modernization of the electric grid.

“The smart grid and the modernization of the electric grid hold great potential for the state’s ratepayers,” said Commission Chairman Garry Brown. “However, the Commission must be very thoughtful and deliberate before it decides whether to invest ratepayer money in the smart grid over the next decade. This proceeding will help us discover the opportunities and pitfalls that might exist.”

As a first-step in this critically important modernization effort, the Commission will solicit input from the public and industry as to how best to shape and build the electric grid of the future. In addition to comments from traditional utilities, the Commission is very eager to hear from the electric utilities, telecommunication companies, computer software and hardware providers, internet developers, consumer advocates and other interested parties as it moves forward with developing its smart grid technology road map.

Passage of the American Recovery and Reinvestment Act (ARRA) in 2009 offered a unique opportunity for utilities to leverage federal dollars to accelerate modernization and technological enhancement of the transmission and distribution grid—or a “smart grid.” Under a competitive grant process, several New York projects totaling approximately \$256 million were approved for federal funding under ARRA’s Smart Grid Program.

Since it will likely require years or decades to fully modernize the existing electric grid into a smart grid, the Commission seeks to develop a strategic plan to maximize the benefits of a smart grid.

“The smart grid promises the deployment of new technologies that could help utilities become more efficient and help modernize the existing transmission and distribution grid,” said Chairman Brown. “If done smartly, with a close eye toward future possibilities, this modernization will help utilities streamline and manage their operations while empowering consumers with a far-greater ability to control electricity consumption and costs. This would clearly be a win for all parties.”

The Commission today initiated a proceeding to evaluate approaches to grid modernization that support important State energy policy goals—ensuring and enhancing electric system reliability; reducing greenhouse gas emissions; increasing energy efficiency and demand response; expanding the use of renewable energy sources and storage options; reducing the frequency and duration of power interruptions; and providing the ability for consumers to better manage their energy bills.

During the course of the proceeding, the Commission is seeking input from a myriad of stakeholders concerning complex issues for developing a cost-effective and customer-friendly smart grid. Questions raised by the Commission for response include, among others: pace or timing for deployment of smart grid technology and replacement of aging electric delivery infrastructure; interoperability of smart grid devices and systems; cyber security strategy and requirements; cost-benefits analysis; customer data privacy and access matters; and consumer education.

The Commission’s written decision, when available, in Cases 09-M-0074 and 10-E-0285, may be obtained by going to the Documents section of the Commission’s Web site at www.dps.state.ny.us and entering the appropriate case number in the input box labeled “Search for Case/Matter Number.” Many libraries offer free Internet access. The Commission’s decision may also be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).