

DRAFT Policy Platform Statement Smart Grid and Energy Efficiency

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Whereas....

- As a result of a variety of factors including, improvement in electricity technologies, electrification of the transportation sector, a need for greater levels of energy system reliability and energy efficiency, and the need to meet growing energy requirements, the utility system in Midwestern states and the nation as a whole is on the verge of a major transformation. This transformation will include new smart grid technologies.
- Technologies collectively referred to as the “smart grid” have the potential to enhance energy system reliability, improve customer service, enable integration of distributed and utility scale renewable energy into the power grid, reduce peak load and energy cost and enable the more efficient use of the existing transmission and distribution grid through technologies such as improved energy storage and plug in electric hybrid vehicles. Smart grid technologies may also contribute towards lower emissions and overall improvements in energy efficiency.
- The effect that smart grid technologies may have on several areas of interest to Midwestern states is as yet unclear including the following: the ability of smart grid technologies to help consumers to reduce their energy use; the effect that smart grid technologies may have on reducing air emissions and; the rate impact of smart grid technology adoption on lower income consumers.
- A transformation to the smart grid will need to address how technologies can operate together seamlessly. The federal government is now working with partners to develop interoperability standards to address such technology standards.
- The federal government has announced smart grid initiatives and funding opportunities. These announcements create opportunities for Midwestern states to partner with the federal government to realize the potential benefits of smart grid technologies.
- Smart grid pilot programs are ongoing in several Midwestern states.
- MGA states share common interest in regulatory issues, lessons learned and results from smart grid pilot projects.
- MGA states can benefit by accelerating adoption of the most effective smart grid technologies.

- States play an important role in potential implementation approaches with regard to smart grid technology as it relates to investor owned, municipal and cooperative utilities.

We therefore resolve to.....

- Continue to collaborate regionally, building on the work of the Organization of MISO States and others, to:
 - Accelerate the adoption of the most effective smart grid technologies, understanding that the smart grid is an integrated combination of many different technologies, each of which is at a different stage of technological advancement.
- Understand the impact that the smart grid, in different configurations and forms, may have on:
 - Reducing energy consumption by electricity consumers
 - Emissions of harmful emissions into the air
 - Integration of new electric vehicle technologies into the Midwest transportation system
 - Different classes of customers, including the rate impact on low income consumers.
- Promote best practices and solutions that maximize the benefits of smart grid for energy efficiency, emissions and electric vehicles while also minimizing or eliminating rate impacts on low income consumers.
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