

Monday June 29 2009

## Why do Shpigler, EMeter support DOE's smart grid FOAs?

### Some stakeholders waited decades for AMI explosion

The final grant application guidelines or funding opportunity applications (FOA) DOE published last week spell relief for David Shpigler, president of strategy management consulting firm the Shpigler Group. The FOA's have an Aug 6 deadline for the first round of Smart Grid Investment Grant Program (SGIG) applications and an Aug 26 deadline for the demo grant applications.

The applications reflect public comment but DOE's self-imposed deadline of June 17 came and went without a hint about when they would be released to the public. "A lot of people were concerned about the holdup, wondering if they'd have enough time to put forth a thoughtful response," Shpigler told us Friday. It is also reasonable and achievable for the government-funded projects to be completed in three years, Chris King, president of EMeter Strategic Consulting, told us Friday.

"Large projects take about a year to get going but can proceed very quickly after that. We have run projects installing an aggregate of up to 7,000 meters a day, which works out to over 3 million meters in two years," King reported.

"The best projects are the ones that provide the greatest benefits. Those supporting conservation, demand response and renewable, including such things as PHEVs, fit in this category and AMI is the best example of that."

One rule, said King, states that one of the key customer-level metrics in measuring smart grid programs is the percentage of power customers served by dynamic pricing programs. He believes that will encourage smart meter funding.

**QUOTE OF THE DAY:** After two and half decades of anticipation, this is truly an exciting time for this marketplace.

*Chris King, CEO, EMeter*

Evidence from dynamic pricing pilots shows residential electricity consumers enjoy the ability of choosing price options that help them keep costs down, King said. Dynamic pricing participation "always been voluntary and policymakers agree on this point," he noted. EMeter, a smart grid management software firm, has been working with its utility clients since April getting ready for the FOAs and they anticipate no problem completing applications to meet deadlines.

"Projects have awaited FOA criteria," King said. "The sooner projects are approved, the sooner the current market freeze on smart grid projects will thaw and the sooner consumers can receive the meters and the benefit that go with them."

EMeter will be in several grant applications it is developing with utility clients but the firm does not expect to apply on its own, he added.

On interoperability and cyber security, King believes "one can never have enough interoperability or cyber-security -- and it is good to see national leadership on these issues."

For the ISOs, DOE's final FOAs raised a number of questions.

The NYISO needs lots of clarification on a number of questions and plans to meet with the DOE soon to discuss them, Ken Klapp with the ISO, told us Friday. Klapp declined to specify the issues causing concern. The Texas ISO -- called the Electric Reliability Council of Texas (ERCOT) -- is hurriedly outlining how ISOs can fit into the smart grid funding plans, Dottie Roark, communications manager for the council, said Friday. "It is my understanding that the smart grid funding is designated for transmission operators," she added.

"ERCOT is investigating other opportunities to apply for stimulus funding including the grant for resource assessment and interconnection-level transmission analysis and planning. We plan to continue reviewing the DOE

funding announcements to see what opportunities are available."

While the California ISO does not own transmission assets, it does "manage the flow of electricity across assets owned by others," the ISO reported, and "it is not yet entirely clear whether or not the California ISO will apply directly for some of these funds. However, we remain more than willing to continue working with asset owners on a variety of research and development programs that could fit the criteria," Gregg Fishman with the ISO, told us Friday.

### What's left unanswered?

Shpigler plans to work on finding out how folks with an interest in doing both a demo project and an SGIG apply. "As we read it, it appears the issue is that there is eligibility for utilities that want to pursue both programs but obviously, they can't double dip." The demo money is meant to show "how emerging technologies can be applied in innovative ways within the electric delivery system to provide integrated and economically feasible solutions," DOE said last week. SGIG is, on the other hand, meant to "enable smart grid functions on the electric system as soon as possible."

DOE "did a great job incorporating the bulk of the comments it received in response to its notice of intent" concerning the grants, Mark Maddox, senior vice president of government affairs for the wireless broadband communications systems firm Arcadian Networks, told us Friday. "The interoperability and cyber security language should not have come as a surprise to anyone who has followed the industry in the past few months."

However, identifying the proper balance between the DOE's goals, utility business models and PUC concerns remains "one of the challenges for the DOE and applicants," he added.

[\[Comments\]](#)