

NARUC's Butler Calls for Deliberate Move to Smart Grid

WASHINGTON—As Congress mulls the best ways to deploy so-called "Smart Grid" technologies, State regulators urged lawmakers to move deliberately and focus on the back-end of the transmission grid before end-use consumers.

In testimony delivered today to the Senate Energy and Natural Resources Committee, National Association of Regulatory Utility Commissioners President Frederick Butler of New Jersey said that while the "Smart Grid" has considerable potential, it must be deployed carefully to gain the widespread acceptance that it needs.

"As a State regulator in New Jersey and co-chair of a national board analyzing Smart Grid issues, I am absolutely convinced of the Smart Grid's potential to revolutionize how energy is delivered and consumed," said President Butler. "I know the Smart Grid can change how utilities oversee their networks and improve reliability. I know that, in the end, consumers could have greater control over their usage and have the potential to lower their bills. I also know that if we do not do this correctly, we can endanger our coming close to meeting any of those lofty aspirations."

President Butler, who also serves as Co-Chairman of the NARUC-Federal Energy Regulatory Commission Smart Grid Collaborative, said that too much of the focus on the "Smart Grid" is on end-use consumers who may not understand the benefits or even want new smart meters. Rather than building confidence in the Smart Grid, this approach will likely breed opposition. Instead, President Butler recommended that lawmakers, policymakers, and industry focus on the back-end operational systems, such as upgrades to the transmission and distribution systems.

"Many have extolled the virtues of how an updated transmission system will give grid operators a much better view of their transmission and distribution network," President Butler said. "New technologies can be installed on distribution poles and on the lines themselves to give advanced warning of problems in its distribution system. A modernized grid can help utilities lower costs by anticipating problems before they occur, reducing the need for sending out trucks or other expensive preventive measures, thus lowering costs. Business operations can be streamlined, reliability can be improved, and money can be saved."

Finally, President Butler said that a strong working relationship between the States and federal government, perhaps building from the FERC-NARUC Smart Grid Collaborative, will help bring the benefits of the "Smart Grid" to consumers and utilities.

"Smart Grid can be successful provided we have federal and States governments working in concert with one another as partners, not working in contrast as adversaries," President Butler said. "The challenge before us is great, the technology and potential benefits exciting."

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fifty States, the District of Columbia, Puerto Rico and the Virgin Islands. NARUC's member agencies regulate telecommunications, energy, and water utilities. NARUC represents the interests of State public utility commissions before the three branches of the Federal government.

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