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Smart Green Grid℠

# Panel: What Key Smart Grid Areas California Must Address First

Terry Mohn – Smart Grid Strategy

# What can policy makers do to encourage research investments in Smart Grid technologies?

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- Develop a regulatory framework that is harmonious on the federal and state level, encourages investment, and provides regulatory certainty on how costs are going to be recovered
- Authorize significant R&D budgets >= $10M/year
- As research results are delivered, publish them to a public repository. Either establish a clearinghouse or promulgate results to DOE's future clearinghouse
- Participate and agree to national standards

# Are California's policies driving the California Grid away from the National Grid?

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- No; there is a lot of alignment on the vision
- However, CA will incorporate more renewables and technology and likely drive the direction for the nation
- To meet policies, CA is likely to need to act ahead of a national consensus

# Are California energy policies too aggressive?

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- California has some of the most progressive energy policies in the nation as it relates to EE/DR, Solar, Renewables, and other environmental concerns.
- SDG&E has committed to 33% renewables by 2020. The answer is no; however, there has been incomplete consideration of the consequences.
  - Cost
  - Intermittency mitigation
  - Renewables <> Load pockets

# How do we avoid repeating the problems experienced during deregulation?

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- Be sure we have sound policy that can not be manipulated by third parties to their advantage.
- Need to involve all stakeholders, not bias the outcome and develop a realistic view of the consequences of actions.
- Develop mitigation strategies based on use cases that expose negative unintended consequences.

# What do you need from policy makers to make the Smart Grid a reality?

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- Certainty around roles a responsibilities a the various California and Federal stakeholders (CEC, CPUC, CAISO, IOUs, FERC etc.) and regulatory certainty about how Smart Grid and traditional non-smart grid investments are going to be treated (Stranded costs, cost recovery, risk, prudency review)
- Support accelerated depreciation, don't dictate technologies and specific solutions, support R&D for technologies not cost effective and provide the right regulatory environment
- Approve incremental investment in evolving technologies (e.g. communications)