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FEDERAL ENERGY REGULATORY COMMISSION

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July 15, 2010

Chairman Jon Wellinghoff

STATEMENT

Smart Grid Update

"Thank you for this status report and the Staff's current thinking on how the Commission could proceed to carry out our responsibilities under EISA. It is clear that there has been significant progress in developing standards in the year since we adopted our Smart Grid Policy Statement.

I appreciate the leadership of NIST, the standards development organizations and members of the SGIP, and am pleased to hear that the electric industry's involvement in the standards development process has grown significantly over the past year.

I look forward to receiving later this summer the first set of standards for the Commission's consideration. Action on these standards will complement other activities underway at the Commission to enhance electric market and operational efficiency. For example, last month, the Commission's Staff published the National Action Plan on Demand Response, and they are currently working to draft an implementation plan. Many of the Demand Response Action Plan activities are part of and will further development of the smart grid. Smart deployment of the demand response potential in our country should provide transmission system operators with additional tools to efficiently manage the electric grid as well as give consumers information that enables them to make decisions about their energy consumption. For example, during the recent heat wave in the eastern part of the country, PJM, NYISO and ISO-NE relied on consumer-provided demand response to help maintain reliable service at reasonable prices. Development of smart grid interoperability standards will facilitate further deployment of "smart" cost-effective demand resources.

And this coming week, we will be meeting with our state colleagues to discuss and coordinate on smart grid and demand response issues at the NARUC-FERC Collaborative on Smart Response. The progress of the smart grid standards development process will be an important matter on the collaborative's agenda.

So I thank the Staff for this report and for your hard work with the NIST process."