



# FEDERAL ENERGY REGULATORY COMMISSION

**March 19, 2009**

**Docket No.** PL09-4-000

**Item Nos.** E-22

**Commissioner Philip D. Moeller**

## **Statement of Commissioner Philip D. Moeller on Smart Grid development with proposed policy, action plan**

"Most people think of smart grid on the retail side – as a machine in your home that allows you to control your appliances to manage your household energy use during times of high or low retail prices. But I recognize that this part of the smart grid is dependent on State regulators acting on the retail side of the industry – a side that we do not control. That is, state utilities will need to consider when to allow utilities to recover purchase and installation costs in rates, and to allow customers to see the differences in electricity prices at different times of the day or year, so that customers will have the ability to manage their energy use accordingly.

But smart grid is also important on the transmission side, the wholesale side of the industry where we have primary jurisdiction – using communication and other technologies that make operations on the transmission grid more efficient. This brings many other benefits, like reducing line losses, which also reduces emissions and long-term costs to consumers.

Today we lay out policies we believe will help to spur investment in and adoption of smart grid technologies. We propose interim rate-treatments that we hope will incent the adoption of smart grid technologies, while providing early adopters assurance that their investments will not be stranded if the technologies advance.

On the issue of cyber security, for many months my staff and I have been emphasizing the importance of a secure transmission grid. Cyber security is of the highest importance to me and it is an area where I will continue to pay close attention."