



## **FERC is Not Required by EISA to Adopt Technical Standards**

DRSG notes that the majority of the parties filing initial comments agree with DRSG that EISA does not require that FERC adopt technical standards. It is clear that stakeholders do not view EISA or FERC's responsibilities in this manner.

## **Technical Standards Should be Voluntary**

Implementation of specific technical standards should be left to the voluntary discretion of the marketplace to achieve smart grid interoperability. DRSG also notes that a majority of the parties commented that implementation of any technical standards must be voluntary.

## **FERC Should Focus on "What is Needed" and not the "How" of Standards**

One thing for the Commission to consider is interoperability performance standards, as opposed to specific technical interoperability standards. The use of performance standards to clearly articulate regulatory objectives is a well-established practice. Performance standards allow the Commission to define "what" is needed in terms of interoperability from a policy perspective and to avoid having to get involved in "how" it will be implemented other than through acknowledgement of the use of voluntary technical standards. In this regard, the Commission should reference the NIST Smart Grid Framework as a useful document to guide implementation.

## **FERC Should Only Address Those Standards that are Necessary**

EISA provides the Commission discretion as to its role relative to standards development and implementation. DRSG believes it is not appropriate for the Commission to attempt to intervene in the universe of standards development processes. It should focus on, based on stakeholder input, development of clear interoperability regulatory objectives in the form of performance standards that are the most important and necessary, and act accordingly.

**FERC Should Exercise Its EISA Responsibilities in This Rulemaking, and not Initiate Additional Processes**

Standards development is not a process where there is a firm “stop,” i.e. where the process has achieved its goal and can now end. Standards development is an ongoing evolutionary process. The Commission’s role, on the other hand, should not be a continuous and ongoing one in order to exercise its responsibilities under EISA. The Commission can fulfill its EISA responsibilities—to ensure that standards development related to the smart grid is happening in an acceptable framework—in this proceeding. Additional rulemaking proceedings are not necessary.

**FERC Must Recognize that Smart Grid Technologies are Already in Place and Deployments are Underway**

It is widely acknowledged at this point that development of the Smart Grid will be an ongoing process and not something that can be subject to “point-in-time” decisions and rulings. The technologies necessary for the smart grid are now, and will be in the future, on a technological continuum similar to that with other high-tech areas such as computers and telecommunications.

As the present rulemaking unfolds, the Commission faces a situation where large numbers of smart grid devices and technologies have been deployed or are being installed. These deployments have been done in line with approved policy decisions, including those relative to cost-effectiveness. The Commission must take care to not create stranded investment by placing new costly requirements on existing deployments. It must focus on the future development of the smart grid. Backwards compatibility relative to standards interfaces is something to be considered in smart grid development, and it should be accommodated where possible and appropriate, but it is not something that should be required from a technology standpoint.

## **FERC Should Not Use this Rulemaking to Achieve Consensus**

The Commission's role is to determine that processes exist to ensure consensus is being reached. It is not to attempt to create that consensus via a process embedded in a FERC proceeding. NIST, SGIP and the Standards Development Organizations (SDOs) are the proper places for a consensus process to take place. The Commission should look to determine the quality of those processes and limit its determination to that. An MOU between NIST and FERC is unnecessary. Guidelines from the Commission to NIST, SGIP and SDOs on consensus would be helpful for the Commission to issue.

### **Conclusion**

**WHEREFORE**, DRSG appreciates the opportunity to Comment before the Commission and respectfully requests that the Commission consider these Comments.

Respectfully submitted,

/s/ Dan Delurey

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