



For Immediate Release

June 13, 2011

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Administration Announces Grid Modernization Initiatives to Foster a Clean Energy Economy and Spur Innovation

The Obama Administration today announced a number of new initiatives designed to accelerate the modernization of the Nation's electric infrastructure, bolster electric-grid innovation, and advance a clean energy economy.

Aimed at building the necessary transmission infrastructure and developing and deploying digital information or "smart grid" technologies, these initiatives will facilitate the integration of renewable sources of electricity into the grid; accommodate a growing number of electric vehicles on America's roads; help avoid blackouts and restore power quicker when outages occur; and reduce the need for new power plants.

The White House also released a new report by the Cabinet-level National Science and Technology Council (NSTC) that delineates four overarching goals the Administration will pursue in order to ensure that all Americans benefit from investments in the Nation's electric infrastructure: better alignment of economic incentives to boost development and deployment of smart-grid technologies; a greater focus on standards and interoperability to enable greater innovation; empowerment of consumers with enhanced information to save energy, ensure privacy, and shrink bills; and improved grid security and resilience.

“A 21st century grid is essential to America’s ability to lead the world in clean energy and win the future,” said John P. Holdren, President Obama’s science and technology advisor and Director of the White House Office of Science and Technology Policy, which released the NSTC report: *A Policy Framework for the 21st Century Grid*. “By unlocking the potential of innovation in the electric grid, we are allowing consumers and businesses to use energy more efficiently even as we help utilities provide cleaner energy and more reliable service.”

Holdren was among several high-level Administration officials who described the new initiatives and report at a White House event that also featured private-sector leaders and other innovators from across the Nation.

"America cannot build a 21st century economy with a 20th century electricity system. By working with states, industry leaders, and the private sector, we can build a clean, smart, national electricity system that will create jobs, reduce energy use, and expand renewable energy production," said U.S. Energy Secretary Steven Chu.

Smart grid technologies provide a foundation for innovation by entrepreneurs and others who can develop tools to empower consumers and help them make informed decisions. A first generation of innovative consumer products and services—such as thermostats that can be controlled from a smart phone, or websites that show how much energy a house is using—are already helping Americans save money on their electricity bills, and there is great potential to do even more. Similarly, the adoption of distributed energy generation sources (such as solar panels on rooftops), emerging energy storage technologies, and electric vehicles are all spurring changes in how and when energy is being used by businesses and consumers.

“This is one more step in our effort to modernize rural America’s electric grid,” said Secretary of Agriculture Tom Vilsack. “Smart grid technologies give consumers greater control over their electric costs and help utilities efficiently manage power generation and delivery.”

Among the public- and private-sector initiatives announced today:

- \$250 million in loans for smart-grid technology deployment as part of the US Department of Agriculture’s Rural Utility Service, which is focused on upgrading the electric grid in rural America.
- The launch of *Grid 21*, a private sector initiative to promote consumer-friendly innovations while ensuring proper privacy safeguards and consumer protections. *Grid 21* will help consumers get better access to their own energy usage information so that they can take advantage of new tools and services to manage their energy use and save on their utility bills.
- New commitments by the Department of Energy to focus on improving consumer access to their own energy information, including the development of a crowd-sourced map to track progress, a data-driven competition designed to harness the imagination and enthusiasm of America’s students to encourage home energy efficiency, and new EIA efforts to measure progress.
 - Consumers deserve access to their own energy usage information in consumer-friendly and computer-friendly formats. The Administration is committed to

working with States and stakeholders to ensure all Americans can take advantage of new tools and services to manage their energy use and save on their utility bills. With proper privacy safeguards and consumer protections, a smarter electricity system can benefit all consumers.

- Expanded partnerships to continue working with States and stakeholders, including an initiative to share lessons learned from Recovery Act smart grid investments, a series of regional peer-to-peer stakeholder meetings, and updated online resources available at: www.SmartGrid.gov.
- The formation of a Renewable Energy Rapid Response Team, co-led by the White House Council on Environmental Quality, the Department of the Interior, and the Department of Energy, to improve Federal coordination and ensure timely review of proposed renewable energy projects and transmission lines, to ensure that renewable energy can power cities and towns across America, and to increase reliability and save consumers money by modernizing the grid.

These efforts build upon the historic \$4.5 billion in grid modernization investments provided for in the Recovery Act—matched by contributions of more than \$5.5 billion from the private sector—to modernize America’s aging energy infrastructure and provide cleaner and more reliable power.

“Modernizing our Nation's electric grid plays a critical role in advancing America’s clean energy economy,” said Nancy Sutley, Chair of the White House Council on Environmental Quality. “These next steps will help us transition toward the economy of the future and provide a boon for domestic job growth.”

Even in today’s information age, many utilities don’t have real-time information about the state of the grid or know when their customers have lost power. A modernized electric grid can bridge these lingering information gaps while serving as a platform for innovation and helping to create jobs of the future. To secure our clean energy future, the Administration will continue to invest in transformational technologies and remove barriers for entrepreneurs to bring those technologies to market.

A detailed fact sheet and the NSTC report are available at www.whitehouse.gov/ostp

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