

Innovate at the Speed of Value

By Lisa V. Wood, executive director of IEE

Many opportunities to drive efficiency in utility operations result in lower prices and better service. At the same time, new smart technologies are blurring the distinction between customer and utility operations—and energy efficiency is becoming more tightly related to other utility functions.

“Informing the Future” (an event launching the new IEE on December 4) reminded everyone that the customer is the most critical stakeholder in our energy future. But electric utilities, in collaboration with regulators and technology companies, must design, build, and support the innovations that deliver efficiency benefits on both sides of the meter. IEE’s new mission is to advance the adoption of such technology to transform the power grid.

Historically, most electric utility innovation has been on the supply side and more or less invisible to customers, noted

importance of electricity in every aspect of our lives. The average American home now has 25 electronic products, for example, nearly all of which must be plugged in or recharged. “Today, customers expect Pepco to be on the front end of innovation,” said Joseph M. Rigby, chairman, president, and CEO of Pepco Holdings, Inc. “In moments of truth when the real tests—Superstorm Sandy, for example—show up, the smart grid has been delivering.”

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Our Energy Journey

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agreed. “Deployment ‘at the speed of value’ will guide technology investments in the 21st-century power grid and the regulatory approvals actions required to support those investments,” he said. “Technology deployment should be a complement to ongoing investment



Talking innovation, efficiency, and electricity. Left to right: Peter Delaney (OGE Energy), Joseph Rigby (Pepco Holdings), Thierry Godart (Siemens), Trevor Lauer (DTE), Lisa Wood (IEE), Robert Rowe (NorthWestern Energy).

Peter B. Delaney, chairman, president, and CEO of OGE Energy Corporation. “With today’s smart meter technology, that is no longer the case. On the customer side, the ‘smart’ in smart grid refers to smart consumers getting relevant and timely information with which to make choices. Today, electric utilities can provide that information reliably and affordably.”

Driving Forces

Recent storm-related outages and ensuing customer frustrations provide a sort of testimonial-in-reverse to the growing

importance of electricity in every aspect of our lives. The average American home now has 25 electronic products, for example, nearly all of which must be plugged in or recharged. “Today, customers expect Pepco to be on the front end of innovation,” said Joseph M. Rigby, chairman, president, and CEO of Pepco Holdings, Inc. “In moments of truth when the real tests—Superstorm Sandy, for example—show up, the smart grid has been delivering.” By having connected meter and feeder outage information to restoration efforts, Rigby estimated that around 5,700 separate truck trips (rolls) were avoided after Sandy—and the region’s power was restored a half-day earlier than expected.

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in the underlying network. Without continuing to pay attention to the basic physical infrastructure, we won’t get full value out of technology investments. As existing network elements reach the end of their useful lives, and as knowledge develops about technology functionality and about what customers do want and will use—and what they don’t want and won’t use—the industry is positioned to deliver value to our customers.” And as we innovate at the speed of value and deliver it, technology companies, regulators, and policy makers will be our key collaborators. ♦

ELECTRIC PERSPECTIVES

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