

**BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION**

IN THE MATTER OF SUPPLEMENTAL  
NOTICE REQUEST COMMENTS  
REGARDING SMART GRID  
INTEROPERABILITY STANDARDS

DOCKET NO. RM11-2-000

**COMMENTS OF THE TELECOMMUNICATIONS INDUSTRY ASSOCIATION**

The Telecommunications Industry Association (“TIA”) is pleased to provide comments in response to the February 16, 2011 Supplemental Notice Requesting Comments regarding smart grid interoperability standards issued by the Federal Energy Regulatory Commission (“Commission”). TIA is the leading trade association for the Information and Communications Technology (“ICT”) industry. With 500 member companies that manufacture or supply the ICT products and services that will make the smart grid a reality, TIA is committed to the successful and secure modernization of the electric grid in a way that utilities, consumers, and technology providers all benefit from the competition and innovation that will result from an interoperable, standards-compliant smart grid technology ecosystem.

**TIA COMMENTS**

**INTRODUCTION**

Robust interoperability standards play a central role in the development of ICT and communications networks. Interoperability standards:

- Enable competition among vendors across a global market leading to increased investment and innovation
- Future-proof investments from technology obsolescence facilitating upgrades in current technologies and the integration of future technologies
- Create economies of scale for technology R&D and deployment

Interoperability standards and the benefits they provide will be critical to the development and deployment of smart grid technologies moving forward. The size of the smart grid market will require a standards-driven environment to maximize the billions of dollars of anticipated investment over the next few years. The scope of the smart grid market will require a standards-driven environment to maximize the benefits to utilities and consumers and insure functionality and interoperability in integrating a variety of combinations of smart meters, home energy management systems, internet-based energy management services, smart appliances and other smart devices that will comprise the smart grid. Beyond demand response and home energy management, a standards-driven environment will also be critical to lay the groundwork for integrating electric vehicles, alternative energy and distributed generation and storage into the electric grid.

The role of the Commission in ensuring these benefits is critical. On one hand, mandating specific standards would negatively impact smart grid development by freezing the NIST process and decreasing investment and innovation. On the other hand, a lack of federal guidance could lead to patchwork standards adoption that shrinks the market, increases costs and leads to stranded investment. TIA believes that the Commission can fulfill its statutory role by providing adequate guidance to avoid patchwork standards adoption without enforcing mandatory standards. TIA asks the Commission to consider the following recommendations.

**1. ALLOW FOR VOLUNTARY STANDARDS TO SUPPORT THE DYNAMIC NATURE OF ICT INNOVATION AND TO MAXIMIZE FLEXIBILITY AND CHOICE IN A RAPIDLY CHANGING, MARKET-DRIVEN ECOSYSTEM**

TIA does not believe that making the standards enforceable would best serve the intent of Congress to facilitate the development and use of interoperability standards. At this stage, technology neutrality, flexibility in standard-setting and reliance on voluntary standards are key

to the development of the smart grid. Standards are important tools to promote efficiency, interoperability and innovation by making products and services work together better. By helping to enhance interoperability among products and services within a market and by being responsive to real marketplace needs, standards can help promote innovation, fuel market growth, protect investment in new technologies and bring down costs. However, standards are only a means to an end. They are useful tools if they are effective at addressing a real marketplace need.

Given the dynamic nature of innovation and ICT standards development, the Commission and state regulatory bodies should be cautious about mandating adherence to any particular standard without demonstrating sufficient need and without support from impacted industry and relevant stakeholders. Mandated standards can disrupt normal marketplace outcomes and discourage competition. In addition, identifying a single standard that is appropriate for all circumstances is extremely difficult, if not impossible. The breadth and depth of the ICT environment means that there is rarely, if ever, a one-size-fits-all solution. Moreover, because the world of technology typically moves at a far greater pace than the policy-making, regulatory and legislative processes, it is quite possible for a government to mandate a standard that becomes irrelevant in the marketplace over time. Mandated standards could also have negative implications for addressing new and emerging cybersecurity threats as regulatory requirements could slow the rapid pace and flexibility with which these threats need to be addressed.

Standards do best as part of an active, competitive habitat. Standards need the ability to evolve at the same rate as new technology requirements and uses, which is best accomplished through a voluntary standards environment. Voluntary standards development has proven effective and has facilitated rapid and robust innovation in ICT from telecommunications

networks to the internet. For governments that want to foster innovation in their technology sectors, it is vital to encourage new technologies, valuable intellectual property, improved human capital, venture investments, and economic growth. Mandating distinct standards potentially dampens incentives to innovate in a technology area and can have adverse effects on both economic and social outcomes.

Rather than mandate specific standards, the Commission should consider providing “forward-looking guidance to insure realization of the smart grid as envisioned in EISA,” as recommended by George Arnold during the technical conference. This guidance could include the Commission providing:

- A framework of recommended voluntary standards and best practices
- Guidance for utility smart grid deployment plans with regard to interoperability, reliability and cybersecurity
- Model consumer digital data accessibility and control standards as recommended by the FCC in the National Broadband Plan
- Monitoring of smart grid technology deployments and adoption of smart grid standards

## **2. RELY ON THE RESULTS OF THE NIST PROCESS IN DETERMINING SUFFICIENT CONSENSUS**

TIA recommends that the Commission rely on the NIST SGIP process in determining whether there is sufficient consensus for a specific standard. TIA does not see a need for the Commission to create additional panels and processes for review on consensus, testing and certification and cybersecurity. The process undertaken by NIST will insure sufficient review with regard to interoperability, cybersecurity and other relevant factors. Initiation by the Commission of a second process would be duplicative and cause unnecessary delays. TIA recommends that any new panels or processes that are identified as the process moves forward

should operate within the NIST SGIP framework. The smart grid standards process is complex, necessitating input from diverse stakeholders from different industry sectors. The NIST smart grid standards identification process has made significant progress bringing together hundreds of highly qualified participants representing a broad range of stakeholder interests. The consensus process within the NIST SGIP framework will continue to improve and is the best option for determining consensus and moving standards forward. TIA believes increased utility participation in the standards identification process will be a positive development toward encouraging adoption of the standards identified through the NIST SGIP process.

## **CONCLUSION**

The Commission can best fulfill its role by providing guidance, relying on the NIST SGIP process and voluntary standards implementation to facilitate the development and use of interoperability standards. TIA appreciates the opportunity to file these comments and looks forward to working with the Commission and collaborating with other stakeholders on this issue in the future.

Respectfully submitted

TELECOMMUNICATIONS INDUSTRY ASSOCIATION

/s/ DANIELLE COFFEY

Danielle Coffey  
Vice President,  
Government Affairs

Joseph Andersen  
Advisor  
Telecommunications Industry Association  
10 G Street NE, Suite 550  
Washington, DC 20002  
Tel: (202) 346-3249  
Fax: (202) 346-3241  
jandersen@tiaonline.org

April 8, 2011