

TITLE III Smart Grid and Demand Response

Subtitle A Smart Grid Facilitation

- Sec. 301 Statement of Policy in Support on Modernization of Electricity Grid.** Announces Federal policy to support implementation of Smart Grid technologies.
- Sec. 302 Grid Modernization Commission.** Establishes a Grid Modernization Commission to lead the Federal effort to implement Smart Grid technologies and to work with States and utilities.
- Sec. 303 Grid Assessment and Report.** Instructs the Grid Modernization Commission to perform study of barriers to compatible smart grid technology implementation, and to recommend means to assure development of consistent national protocol for smart grid technologies
- Sec. 304 Federal Matching Fund for Smart Grid Investment Costs.** Creates Federal matching grant program providing reimbursement of one-fourth of costs for implementation of smart-grid technologies where consumers, utilities, States or other participants contribute three-quarters of costs.
- Sec. 305 Smart grid technology deployment program.** Instructs Secretary of Energy to develop program to assist deployment of Smart Grid technologies and to perform cooperative demonstration projects with as many as five electric utilities.
- Sec. 306 Smart Grid Information Requirements.** Instructs the Grid Modernization Commission to work with States, utilities and others to determine the information required by consumers to utilize Smart Grid technologies.
- Sec. 307 State Consideration of Incentives for Smart Grid.** Requires States to consider regulatory standards that would (1) allow utilities to include Smart Grid investments in rates; (2) "decouple" utility profits from the volume of electricity throughput to consumers; and (3) require utilities to make time-sensitive supply, cost, price, and other information available to consumers to enable Smart Grid technologies and demand response.
- Sec. 308 DOE Study of Security Attributes of Smart Grid Systems.** Requires the Department of Energy to study the effects of Smart Grid technologies on the security of the electricity grid and infrastructure.

Subtitle B Electricity Sector Demand Response

- Sec. 311 Amends National Energy Conservation Policy Act to add three new sections:**
- 1 Federal Electricity Peak Demand Reduction Standard.** Requires Federal agencies to reduce their peak electricity consumption by 1 percent per year for 10-year period, and include results in reports to Congress.
 - 2 National Action Plan for Demand Response.** Requires Grid Modernization Commission to conduct an assessment of demand response potential and to prepare plan to achieve potential through assistance to States.
 - 3 Environmental Attributes and Impacts of Demand Response and Smart Grid Systems.** Requires EPA Study of environmental effects of demand response and Smart Grid implementation.