



STATE OF NEW YORK | EXECUTIVE CHAMBER
DAVID A. PATERSON | GOVERNOR

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**GOVERNOR PATERSON ANNOUNCES KICK-OFF OF “SMART GRID”
CONSORTIUM TO PROMOTE STATE-OF-THE-ART, RELIABLE AND COST-
EFFECTIVE POWER DELIVERY SYSTEM**

*Academia, Utilities, Industry and State Agencies Unite to Support New York’s Smart Grid
Grant Applications to U.S. Department of Energy*

Governor David A. Paterson today announced the kick-off of the New York State Smart Grid Consortium to foster the development and deployment of new technology aimed at reducing the cost of electricity while increasing reliability. The Consortium will be comprised of leaders from government, utility companies and universities, as well as consumers, and will develop a strategic vision on how best to deploy secure, efficient and reliable smart grid technologies in New York.

New York’s energy grid is the primary delivery tool between energy suppliers and consumers. A “smart grid” uses digital technology to tell suppliers exactly when the electricity is needed. These modern control technologies can improve the efficiency of the entire system from the generators through the transmission and distribution systems down to the customer level. This will improve energy efficiency statewide, which will help control energy costs and create jobs for New Yorkers.

“The creation of the New York State Smart Grid Consortium positions New York to lead the nation in developing innovative smart grid technologies while fostering significant growth in clean energy jobs,” Governor Paterson said. “This unique collaborative brings together all facets of the electric power sector. Together, they will develop and implement a smart grid strategy that will create jobs, improve service and lower electric bills for New Yorkers.”

Today’s announcement is Governor Paterson’s latest step to grow New York’s clean energy economy, a core component of his New Economy Jobs Plan, which is expected to create tens of thousands of jobs in New York. Additionally, the development of a smart grid follows a recommendation of the comprehensive draft State Energy Plan, the first step in redefining how the State approaches and satisfies its energy needs. The draft Plan

identifies strategies and provides recommendations that once implemented will make energy more reliable, secure and affordable for New Yorkers, address the threat of climate change and result in a cleaner environment.

Governor Paterson made today's announcement at Stony Brook University's Center of Excellence in Wireless and Information Technology, a \$250 million dollar government-industry-academic partnership that conducts world class interdisciplinary research in wireless and information technology – technology which will soon be used in the smart grid.

This month, New York's investor-owned utilities, the New York Power Authority and the Long Island Power Authority; the New York Independent System Operator; and other private entities are delivering more than \$1 billion in smart grid project proposals for the U.S. Department of Energy's Smart Grid Investment Program and Smart Grid Demonstration Program. These proposals would be funded through the American Recovery and Reinvestment Act and include "smart meter" demonstration projects for locations throughout the State, including LIPA's Route 110 Corridor Project and ConEdison's Long Island City service area.

Deployment of smart grid technologies, such as smart meters, will:

- Enable customers to efficiently manage energy consumption in order to reduce usage and electric bills;
- Improve the ability of system operators to detect grid disturbances and to respond quickly, thereby minimizing customer service disruptions; and
- Promote greater market penetration of renewable resources.

Governor Paterson has approved the Smart Grid Demonstration Program for the 10 percent Innovation Economy Matching Grants Program. This program will provide a 10 percent match for every stimulus dollar the federal government awards through competitive grants to research facilities in New York State. New York will allocate \$100 million over several years and several projects for this program, which is expected to leverage one billion dollars in federal research funding.

One of the goals of the Consortium is to facilitate public-private partnerships that will maximize mutually beneficial economic development opportunities throughout the State. Founding members include Chairman of the Advanced Energy Research and Technology Center and former Chairman of National Grid U.S. Robert Catell, who will act as chairman; President and COO of Consolidated Edison Louis Rana; and Dean of Engineering at SUNY Stony Brook Yacov Shamash.

More information on the Consortium can be found at www.nyssmartgrid.com.

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The following quotes have been provided in support of the Smart Grid Consortium and New York's Smart Grid Project Applications to DOE:

Senator Brian X. Foley said: "As we face increasingly complex challenges when it comes to creating and utilizing energy as efficiently and reliably as possible, we will need the best ideas available. The safe energy consortium will do just that by bringing together leading voices in technology, business, academia, and government, and building upon a large pool of knowledge and experience right here on Long Island. By creating energy that is more reliable and cost-effective, we will not only benefit economically, but also ensure that rate-payers are able to use energy as cheaply as possible."

Senator Ken LaValle said: "We are in dire need of new energy sources to fulfill the ever-increasing demand for power in New York State, particularly on Long Island. The Smart Grid Consortium will take advantage of our assets through a collaboration of our education, research, government and business communities to create a more efficient and cost effective source of energy that will reduce our dependence on foreign fuels, create new jobs and enhance our economic growth."

Assemblyman Steve Englebright said: "By implementing this new energy partnership Governor Paterson is capably redefining the energy future of our State and region. The New York State Smart Grid Consortium is ultimately a promise to every citizen on Long Island that electricity will be delivered more efficiently and at lower cost."

Robert B. Catell, Chairman of the Advanced Energy Research and Technology Center and former Chairman of National Grid U.S., said: "The energy challenges facing our society today require coordination and collaboration among all sectors of the electric power industry. The formation of the Consortium represents a strategic public/private partnership that leverages resources in support of a secure and reliable smart grid to protect and serve all consumers."

Garry Brown, Chairman of the New York State Department of Public Service, said: "The marriage of computer technology and sophisticated equipment designed specifically for the electric grid will revolutionize the way we make, move and use electricity. The deployment of the smart grid will improve grid operations and expand opportunities for customers to manage energy costs. The Consortium will help make the vision a reality."

Francis J. Murray, Jr. NYSERDA President and CEO, said: "NYSERDA welcomes the research and administrative roles that Governor Paterson has set for us in seeking DOE funding for these projects. Our long-standing research of transmission technologies and our deep roots in assisting New York State businesses to supply advanced technology are a great fit for this consortium. NYSERDA has efficient administrative practices and industry partnerships to help set and achieve these goals quickly."

Richard Kessel, NYPA President and CEO, said: "Under Governor Paterson's direction, New York State is giving top priority to optimizing power grid efficiency, reliability and flexibility through investment in smart grid technologies. As part of the coordinated effort, the Power Authority is applying to the Department of Energy for stimulus funding

in support of a demonstration project to allow us to move additional amounts of electricity on three of our transmission lines in Northern New York. The initiative, which will contribute to integrating additional amounts of available wind power, will provide us with real-time information on the thermal conditions of the affected lines, enhancing our ability to maximize their use.”

Kevin Law, LIPA President and CEO, said: “Smart Grid technology is key to increasing grid reliability and providing customers with an ability to better manage energy use and cost. Utilizing the educational and research capabilities of SUNY Stony Brook and Farmingdale State College in the Consortium provides an important venue for the development of new smart grid technology, and with it, new businesses and clean energy jobs. We commend Governor Paterson for his vision to create the New York State Smart Grid Consortium and to use the resources of the SUNY educational system to support the development of this important technology in New York State.”

Edward Reinfurt, NYSTAR Executive Director, said: “Consortium members from New York State have pledged to share information gained from their smart grid investments with the State and nation. Our colleges and universities stand ready to assist their industry and government partners in this exciting launch of the smart grid in our State.”

Stephen G. Whitley, President and CEO of the New York Independent System Operator, said: “New York’s commitment to smart grid will help to energize the Empire State’s economy with advanced technology that enhances the efficiency and stability of the State’s power grid.”

James Gallagher, Senior VP for Energy Policy at the New York City Economic Development Corporation said: “Implementation of smart grid technologies will enable building owners to achieve savings through reduced energy use and even profit from selling unused power into the wholesale markets. Widespread adaptation could substantially reduce energy prices and greenhouse gas emissions in New York City, both of which are aims that NYCEDC seeks to promote in its efforts to create energy efficient policies that benefit New Yorkers. The establishment of the Smart Grid Consortium is an important step to providing energy users the tools they need to realize these benefits.”

Bob Gilligan, Vice President of Transmission and Distribution at GE Energy, said: “GE welcomes the opportunity to be engaged in this Consortium to drive energy investments that will deliver greater economic competitiveness throughout the State of New York. We commend the Governor on this initiative and his commitment to solving the energy challenges facing his State. A smarter grid will optimize the integration of renewable energy sources, drive increased energy efficiencies and empower consumers with information to better manage their energy usage and costs.”

Guido Bartels, General Manager of IBM’s Global Energy & Utilities industry, said: “Modernizing the electric system towards a smart grid is a key enabler for a sustainable energy future and a strong driver of economic growth. Like the transformation of any complex system, broad collaboration among all appropriate stakeholders is essential. IBM was part of the initial group that kicked off the New York State Smart Grid efforts

and is pleased to be part of a team that aims to let New Yorkers take full advantage of all that a smart grid enables.”

Sam Aronson, Director of Brookhaven National Laboratory, said: “The New York Smart Grid Consortium is unique in bringing together the key New York electric grid stakeholders to create a vision to meet the reliability, efficiency, and security needs of the electric grid in the 21st century. The research and facility resources of Brookhaven National Laboratory will help bring together academic and industrial partners to address both short-term and long-term technology and scientific challenges to deliver this vision for New York State.”

Kevin Burke, Chairman and CEO of Consolidated Edison Inc., said: “We are all working toward modernizing our energy systems. The Consortium provides us with an opportunity to share information about smart grids. We will continue to work together to identify, test, and deploy innovative technology that will help customers use energy more efficiently, enhance grid reliability and support alternative energy sources.”

Tom King, President of National Grid U.S., said: “Smart grids are the future of our energy networks. They will give customers more control and choice over their own bills, as well as help us reduce greenhouse gas emissions. The only way to deliver these future networks is by working together, and the creation of this new consortium is a welcome and vital step forward to realize that goal. We have applied for stimulus funding to pilot our smart grid programs with over 80,000 of our customers in New York, and we look forward to building on those pilots and working closely with the smart grid consortium to develop and deploy these new technologies in the State.”

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