June 1, 2009

The Honorable Steven Chu
Secretary, U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

The Honorable Gary Locke
Secretary, U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Secretary Chu and Secretary Locke:

The industry leaders listed below, representing manufacturers of Smart Grid products and technologies, were honored to participate at the Leadership Summit with the National Institute of Standards and Technology (NIST) on May 18, 2009. We applaud the administration’s focus on these issues, and stand ready to contribute to accomplishing the vision of an efficient, secure and reliable electricity infrastructure.

We would like to offer the following recommendations to ensure that the Smart Grid adoption process continues to promote innovation and maintain momentum:

- **Intellectual Property.** Throughout the NIST development and adoption process for Smart Grid standards, every effort must be made to guarantee the protection of patent and intellectual property rights. Consistent with Secretary Chu’s comments, we strongly urge that Smart Grid standards focus on product and system performance rather than methodology.

- **Testing and Certification.** Within the scope of its EISA 2007 responsibilities, the NIST roadmap should identify and endorse an open accreditation process for product and system testing and certification. Clearly defined certification criteria would enable the manufacturers to design and build products that not only conform to the standards, but also offer increased performance and safety.

- **Review and Governance.** As NIST establishes the panel that will maintain the Smart Grid roadmap, it must identify adequate means for accepting candidate standards for consideration, a method for accepting input from the electro-technical community on those standards, and a transparent method of decision-making to achieve consensus.

- **International Harmonization.** NIST must ensure that every effort is made to appropriately consider international standards in its selection and endorsement of candidate standards for adoption. The propagation of a diverse set of standards between U.S. and international bodies creates an undue burden on manufacturers and could actually slow the adoption rate of Smart Grid.
• **Financial Incentives.** We ask your support in urging the Obama Administration and the U.S. Congress to identify and endorse financial incentives for every aspect of Smart Grid adoption, from research and development to implementation and deployment. We further endorse the adoption of accelerated depreciation schedules for control and communication devices and we encourage an aggressive schedule for asset retirement to avoid stranding previous utility investments.

• **Backward Compatibility.** To expedite Smart Grid adoption, interoperability standards endorsed by NIST should, as much as possible, weigh the trade-offs between new features and backward compatibility with existing standards and protocols which are embedded in the installed base of the grid's hardware, software, and communication devices. This consideration should be extended to all federal agencies that deal with rulemaking procedures that could impact Smart Grid adoption such as FERC, CPSC, and FCC.

• **Project Funding.** We endorse the Department of Energy’s decision to increase the dollar cap on demonstration and grant programs as defined in the American Reinvestment and Recovery Act of 2009, and urge the department to remain focused on completing timely and thorough evaluations of demonstration and grant proposals.

Again, it is our honor to be part of this effort and to offer our support in enacting this pivotal vision of America’s energy future.

Evan R. Gaddis
President & CEO
National Electrical Manufacturers Association

Enrique Santacana
President & CEO
ABB North America

Thomas Gross
Vice Chairman & COO
Electrical Sector
Eaton Corporation

Robert Gilligan
Vice President
GE Energy Infrastructure

Malcolm Unsworth
President & CEO
Itron, Inc.

John Estey
President & CEO
S & C Electric Company
Christopher Curtis  
President & CEO  
Schneider Electric North America

George Nolen  
President & CEO  
Siemens Corporation

Stuart Thorn  
President & CEO  
Southwire Company

Dominic Pileggi  
Chariman, CEO & President  
Thomas & Betts Corporation

cc:  
Mr. Patrick Gallagher, NIST  
Mr. George Arnold, NIST  
Ms. Patricia Hoffman, DOE