

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider Smart
Grid Technologies Pursuant to Federal
Legislation and on the Commission's own
Motion to Actively Guide Policy in California's
Development of a Smart Grid System.

Rulemaking 08-12-009
Filed December 18, 2008

**Comments of the California Independent System Operator Corporation on the
Proposed Smart Grid Deployment Plan Metrics**

I. INTRODUCTION

The California Independent System Operator Corporation (ISO) submits these comments in response to the Assigned Commissioner's and Administrative Law Judge's Joint Ruling of July 30, 2010 in the above-captioned docket. The Joint Ruling published proposed metrics to be used in evaluating the smart grid deployment efforts of California's IOUs. In advance of workshops to be held on August 25 and 26, the Joint Ruling requested that parties submit written comments addressing the appropriateness of the metrics and offering proposed modifications.

The ISO believes that constructing metrics for smart grid deployment before the IOUs' deployment plans are developed is a wise approach. Providing metrics ahead of time can provide necessary guidance to the IOUs in developing their deployment plans and a meaningful way of measuring the IOUs' progress towards achieving smart grid objectives. The proposed metrics included in the Joint Ruling provide a helpful start for a process of refining and adjusting the metrics through the workshops and additional comments. The ISO looks forward to gaining additional details concerning the metrics and their rationale through its participation in the forthcoming workshops. In further

refining the metrics, the ISO encourages the Commission to consider the following four principles, in addition to any other principles it may find appropriate:

1. Limit number of metrics to ensure focus on goals.
2. Provide direct “line of sight” for each metric to smart grid objectives.
3. Ensure metrics measure factors that are within the control of the IOUs.
4. Consider how the metric will be quantified.

II. COMMENTS

A. Limiting the Number of Metrics

The Commission may want to consider the impact of having over 80 metrics. With limited time and resources, the volume of metrics creates the potential for the IOUs to focus their resources on increasing their performance in metrics that hold less relative value in achieving overall smart grid objectives. Creating fewer metrics may help the utilities focus on the most important smart grid objectives and reduce administrative burden for progress reporting. Fewer metrics may also prove easier in the evaluation of progress toward smart grid objectives.

B. Creating a “Line Of Sight” from Metrics to Smart Grid Objectives

The ISO believes that it would be beneficial for the Commission to articulate the specific smart grid objectives and associate each metric with that specific objective. We believe that this would provide the direct “line of sight” from the metric to the smart grid objective to provide confidence that the metrics provide the right progress measure toward the goal and are not just a figure without appropriate context. Further, as the Commission’s smart grid objectives evolve over time, the Commission may consider

reevaluating the existing metrics to ensure that they continue to support the Commission's objectives.

C. Measuring Factors within the Utilities' Control

Some of the proposed metrics appear to measure issues that are at least partially beyond the control of an IOU. While evaluating these metrics may be helpful in understanding system-wide smart grid deployment, they may not measure a specific IOU's performance in deploying smart grid. In constructing the metrics, it would be beneficial for the Commission to ensure that the metrics reflect as closely as possible factors that are within an IOU's control and that are only minimally impacted by outside parties.

D. Considering Quantification of Metrics

Several of the proposed metrics are correlated to smart grid and relate to items within IOU control, yet may prove difficult to measure. The Commission should take great care to consider that the metric can be easily quantified and that supporting data is readily available. For example, it would not be optimal to rely on a metric that is quantifiable in theory but in fact relies on confidential ISO data. As a practical matter, it may be useful for the CPUC to consider ahead of time both how the necessary data will be acquired and the amount of effort or processing needed to produce the metric.

III. CONCLUSION

The ISO appreciates the opportunity to offer its views on the proposed smart grid deployment plan metrics and looks forward to providing further feedback and additional examples through its reply comments and through its participation in the workshops scheduled for August 25 & 26.

Respectfully submitted,

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Dated: August 17, 2010

CERTIFICATE OF SERVICE

I hereby certify that on August 17th, 2010, I served, on the Service List for Proceeding R.08-12-009, by electronic mail and United States mail, a copy of the foregoing

Comments of the California Independent System Operator Corporation on the Proposed Smart Grid Deployment Plan Metrics

Executed on August 17, 2010 at
Folsom, California

Jane Ostapovich

Jane Ostapovich,
An employee of the California
Independent System Operator