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KEMA sees clear roadmap for nation's massive grid transformation Success hinges on managing Smart Grid projects, stakeholder relationships

BURLINGTON, Mass., (November 19, 2009) – KEMA (www.kema.com) is offering insight on and solutions for keeping smart projects on track in the post-stimulus award era. The US is at a point of historic transformation of the electric grid infrastructure. Implementing the [smart grid](#) on a national scale poses significant challenges—and opportunities—both for projects selected for a US Department of Energy (DOE) [Smart Grid Investment Grant](#) (SGIG), and for those moving ahead with projects without grant funding.

With smart grid investments expected to top \$20 billion in the US, the energy and utility industry is on the verge of a massive overhaul of the nation's electric generation, transmission and distribution system and of the means by which consumers make energy use decisions. Some smart grid projects will be accelerating under the [DOE grant](#) over the next 18 to 24 months. This can mean SGIG recipients will face spending billions of dollars in a short-order—essentially overnight by utility industry standards—while navigating new government contract negotiations and reporting requirements.

“Moving forward, all smart grid projects, whether DOE funded or not, need to manage multiple implementation risks,” said Kevin Sullivan, senior vice president, KEMA, Inc. “Specifically for smart grid projects we have developed a methodology based on proven tools and techniques to ensure that the design and deployment are impervious to changes in technologies and can accommodate new standards as they develop. All projects need to measure and capture the benefits expected by stakeholders.”

In working with a wide range of clients on smart grid initiatives from strategic visioning to technology, data and operations integration since the inception of the smart grid concept, KEMA sees a number of key success factors for utilities to focus on to move the nation's smart grid build out forward effectively, efficiently and with the desired outcomes. KEMA offers solutions rooted in deep expertise and experience for each aspect of the smart grid project process to leverage the enterprise-wide benefits of smart grid technology and operations.

Smart Grid success factors:

- **Managing the SGIG process** – including pre-award [negotiations](#) on the terms and conditions and meeting specific project and process, benefit attainment and [reporting requirements](#)
- **Managing the regulatory process** – including building the business case, effectively communicating with regulators and stakeholders, and rate design for recovery and compliance
- **Setting up a project management office (PMO)** – planning, scheduling, and controlling project activities to meet project objectives including performance / quality of the work done, cost and time objectives while controlling / maintaining the scope of the project at the correct level
- **Specifying the smart grid architecture** – including [telecommunications](#) planning and design, [standards compliance and verification](#), certification and testing of devices, security planning, transmission automation, and [substation and distribution automation](#) specification
- **Systems planning and integration** – including back office system design, architecture development and testing, planning, and implementation support
- **Implementation and harvesting benefits** – including field operations planning and resourcing RFPs, staff augmentation, and employee training



- **Vendor management** – including developing requirements and procurement activities to guide supplier selection, evaluation, quality assurance and control, system and equipment testing and certification, and change control.
- **Consumer to grid connection** – including customer outreach and education, customer subscription and enrollment, service pricing and tariff design, program offering design, measurement and verification of [energy efficiency programs](#) and program benefits

“The DOE grant adds another layer to the risk management process – from negotiations to reporting and evaluation requirements,” said Sullivan. “Negotiating the right terms and conditions of the grant and getting the right project management operations in place are key to successful implementation. And the worthy smart grid projects not in line for a grant will need to focus on identifying what can be afforded, making the business case and going back to the regulator with a compelling argument to regulators to stay in the smart grid game.”

KEMA has been working extensively with the nation’s leaders in grid modernization for over three decades—from substation and distribution automation, smart meters and advanced metering infrastructure, to smart grid and intelligent network and communications architecture planning, design and integration. KEMA supported multiple clients in successful SGIG award applications, including application coordination, project definition and planning, budget analysis, outcomes estimation, and federal government liaison.

About KEMA

Founded in 1927, KEMA is a global provider of business and technical consulting, operational support, measurement and inspection, testing and certification for the energy and utility industry. KEMA employs more than 1,400 professionals globally and with offices in 13 countries. KEMA’s US subsidiary, KEMA, Inc., is headquartered in Burlington, Massachusetts and serves energy clients throughout the Americas and Caribbean.

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