



## Department of Energy

Washington, DC 20585

March 26, 2021

### MEMORANDUM FOR THE CHAIR ELECTRICITY ADVISORY COMMITTEE

**FROM:** Patricia Hoffman, Acting Assistant Secretary, Office of Electricity

**SUBJECT:** Development of Voluntary Model Pathways for Modernizing the Electric Grid

Section 8008(a)(3) of the Consolidated Appropriations Act of 2021<sup>1</sup> directs the Secretary of Energy to “initiate the development of voluntary model pathways for modernizing the electric grid through a collaborative, public-private effort that:

- “produces illustrative policy pathways encompassing a diverse range of technologies that can be adapted for State and regional applications by regulators and policymakers;
- facilitates the modernization of the electric grid and associated communications networks to achieve the objectives noted below;
- ensures a reliable, resilient, affordable, safe, and secure electric grid; and
- acknowledges and accounts for different priorities, electric systems, and rate structures across States and regions.”

The Act also calls for the establishment of a Steering Committee appointed by the Secretary to help develop those pathways in consultation with the Secretary. I have determined that the EAC is the appropriate body to serve as the Steering Committee. In this capacity, the EAC will advise the Department on a final set of recommendations after DOE presents to the EAC preliminary pathways developed through a stakeholder process. DOE recommendations will address issues related to the adoption of advanced technology and grid capabilities, processes that coordinate planning and operations across jurisdictions and stakeholder groups, and mechanisms that incent and fairly compensate needed investments. The Department, in its investigation of model pathways, will coordinate closely with the EAC Steering Committee throughout the project in order to appropriately inform the determination of the final set of recommendations. Pursuant to Section 8008, the pathways shall facilitate achievement of as many of the following objectives as practicable:

- Near real-time situational awareness of the electric system;
- Data visualization;
- Advanced monitoring and control of the advanced electric grid;
- Enhanced certainty of policies for investment in the electric grid;
- Increased innovation;
- Greater consumer empowerment;
- Enhanced grid resilience, reliability, and robustness;

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<sup>1</sup> Refer to page 1405 in the attached language.

- Improved integration of distributed energy resources, including interoperability of the electric system as well as predictive modeling and capacity forecasting;
- Reduced cost of service for consumers; and
- Diversification of generation sources.

In accordance with Section 8008, the Secretary will also engage with staff from the Federal Energy Regulatory Commission (FERC), the national laboratories, states, and other key stakeholders to obtain input on pathways as described above.

**Designated Federal Officer:** Christopher Lawrence, Program and Management Analyst, Office of Electricity

**Schedule:** I am requesting that the EAC provide the final set of recommended pathways to pursue three months after DOE present the preliminary pathways it develops through its stakeholder process.