

November 1, 2010

Office of Electricity Delivery and Energy Reliability
U.S. Department of Energy
1000 Independence Avenue, SW, Room 8H033
Washington, D.C. 20585

RE: *Smart Grid RFI: Addressing Policy and Logistical Challenges to Smart Grid Implementation*, 75 Fed. Reg. 57,006 (September 17, 2010).

Ladies and Gentlemen:

The American Public Gas Association (APGA) is pleased to submit for your consideration the following comments in response to the U.S. Department of Energy, Office of Electricity Delivery and Energy Reliability's Request for Information *Addressing Policy and Logistical Challenges to Smart Grid Implementation*, 75 Fed. Reg. 57,006 (Sep. 17, 2010). The Request seeks comment on challenges that confront smart grid implementation and recommendations on how best to overcome those challenges.

There are approximately 1,000 public gas systems in 36 states and over 700 of these systems are APGA members. Publicly-owned gas systems are not-for-profit, retail distribution entities owned by, and accountable to, the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities. www.apga.org

APGA fully supports the comments filed in this proceeding by sponsors of the November 2010 White Paper discussing the role of natural gas in the Smart Energy Future and the key barriers to achieving the vision based on policy, regulatory and technology challenges. The compelling vision set forth in the upcoming White Paper will highlight how natural gas can provide the key to a smarter energy future through energy efficient direct use of abundant, low-carbon natural gas and through the integration of natural gas with electricity and renewable energy.

APGA believes smart grid implementation issues should be viewed as part of a broader Smart Energy Future and energy value chain that powers homes and businesses and keeps us comfortable and productive. No clean and efficient energy future can be realized with electricity alone. You only have to consider how much more efficient and cleaner natural gas is than electricity to realize that natural gas is a big part of the solution. It is an abundant, low carbon fuel that provides a secure and affordable energy source and that is compatible with the environmental, political and societal goals of the United States.

The focus of natural gas use in a Smart Energy Future should include both its use as a strategic resource in direct-use applications and as a smart resource for electricity generation.

Some key challenges need to be addressed to ensure a Smart Energy Future. Natural gas supply and transmission must be better coordinated with electricity generation including variable renewable resources, and gas distribution must be able to effectively serve new and existing applications. In addition, customers must have the information and tools with which to make well-informed decisions about their energy use.

As part of a Smart Energy Future, the natural gas system together with customer empowerment and advanced grid functionality can help reduce peak electricity demand and consumption, enhance grid reliability and resilience, leverage distributed energy resources and integrate renewable energy, and reduce overall CO₂ emissions.

Conclusion

APGA believes abundant, domestic, low-carbon natural gas resources together with robust natural gas transmission and distribution systems can and should play a significant role in increasing the reliability and efficiency of the nation's energy grid and in the larger Smart Energy Future.

Respectfully submitted,



Bert Kalisch, CEO & President