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June 9, 2014

FOR IMMEDIATE RELEASE

Smart Grid Hype & Reality

Wired Group President Paul Alvarez releases new book questioning the value delivered by huge investments in the smart grid

Utilities in the U.S. and around the world are investing billions of dollars in the so-called “smart grid” to bring electric grids into the information age, and then passing those costs on to consumers — as much as \$600 or more *per customer* in the U.S.

What are the benefits of the smart grid? Are customers getting their money’s worth? If not, why not?

In *Smart Grid Hype & Reality*, industry consultant Paul Alvarez, President of the Wired Group, concludes that while consumer and environmental benefits are indeed available from smart grid investments, current regulations and ratemaking processes discourage almost all utilities from achieving them.

Smart Grid Hype & Reality crunches the numbers and presents definitive research on smart grid capabilities, costs, benefits, drivers, and limiters in typical and ideal case scenarios. The book is designed to help utilities, regulators, customers, and other stakeholders understand available technologies and the changes necessary to utility, customer, and regulatory and governance systems to realize the potential of the smart grid.

“This book presents a well-researched argument that the potential economic value of most smart grid deployments is not being realized for customers,” states Wired Group President Paul Alvarez.

“For example, research indicates over half the economic benefits available from a smarter grid stem from energy conservation. Unfortunately, traditional ratemaking practices penalize utilities for energy conservation, and customer benefits are left on the table as a result,” continued Alvarez.

“The book recommends dramatic changes to ratemaking processes. It also addresses the difficulty of implementing utility organizational and operational changes, and lack of consumer and utility interest in valuable smart grid capabilities.”

Media Availability

Paul Alvarez, President of the Wired Group and author of *Smart Grid Hype & Reality*, is available to answer questions about the smart grid and the electric utility business in general. Topics can include:

- What is the smart grid?
- Why are electric utility companies investing hundreds of millions of dollars in the smart grid?
- How much does the average customer pay to upgrade the electric grid?
- What are the potential economic benefits? Are they being realized? If not, why not?
- Are there environmental benefits to the smart grid? Are they being realized?
- How do traditional ratemaking practices penalize utilities for energy conservation?
- Regulators in New York State are now proposing radical changes to the electric ratemaking process. Why?

What Smart Stakeholders Are Saying about *Smart Grid Hype & Reality*

“This is the most thorough discussion of the smart grid currently available.”

–*Calvin Timmerman, Associate Executive Director, Maryland Public Service Commission*

“An important contribution to the smart grid body of knowledge.”

–*Jesse Berst, Founding Editor, Smart Grid News*

“It’s a must-read for utility stakeholders, including consumer advocates.”

–*Stacia Harper, Director of Government Relations, Ohio Partners for Affordable Energy*

About Paul Alvarez

Paul Alvarez leads the Wired Group, a consultancy helping clients unleash the latent value in distribution utility businesses. His perspectives have been formed by 15 years in the utility industry as both insider and consultant to industry regulators, associations, and suppliers.

Alvarez has led comprehensive, unbiased evaluations of large smart grid deployments, including Xcel Energy’s Boulder, Colorado project and Duke Energy’s Cincinnati deployment for the Ohio Public Utilities Commission.

These projects, thought to be the only unbiased, comprehensive evaluations of full, large-scale smart grid deployments, are in the public domain and available for download at www.wiredgroup.net.

Paul Alvarez is an adjunct professor at the University of Colorado's Global Energy Management Program and Michigan State University's Institute for Public Utilities. He holds an undergraduate degree in finance from Indiana University and a master's degree in management from the Kellogg School at Northwestern University.

About the Wired Group

The Wired Group is dedicated to unleashing latent value in distribution utility businesses with a focus on the smart grid, demand response, and renewable energy. Working for utilities, regulators, consumer advocates, environmental advocates, industry suppliers, and associations, the Wired Group seeks to maximize the value utilities deliver to customers and owners through visioning, planning, execution, and evaluation support services.

For more information, please visit www.wiredgroup.net.

Smart Grid Hype & Reality is available in soft cover at the Wired Group website, www.wiredgroup.net, and at www.amazon.com.