

“Smart Grid” Declaration by CEOs of the World’s Largest Power Grid Operators

2011 VLPGO Annual Meeting - Seoul, South Korea

October 31, 2011

The 14 Power Grid Operators (PGOs) of the world’s largest power grids ratify the major role of electricity to the transition to a carbon free society in the coming decades. This transformation will require significant effort, investment and allocation of resources to develop new “smart grid” infrastructure supported by a strong physical system to accommodate renewable energy sources and smart tools to better manage electricity flows.

The electricity sector today is confronted by critical challenges including significant growth of global electric power consumption, implementation of environmental policies to combat climate change, transformation of electric power into a vital commodity, information exchange and economic development. These challenges are leading to increased development of electric power production from renewable energy sources, exploration of new possibilities for energy storage, development of electric vehicles (EVs), recognition of consumers as smart energy decision-makers, and advancement of energy efficiency in real time.

Realizing that these developments, characterized by much more volatile and unpredictable behavior than previously seen, have led to management of networks, and in particular high and ultra high-voltage transmission networks, in a much more responsive way and close to real time, we, CEOs of the world’s largest Power Grid Operators, have developed a joint statement on the “smart grid”, which is a common vision of the Very Large Power Grids Operators Association (VLPGO):

- Our main goal is to guarantee security of electric power supply to consumers at minimum cost. Therefore, the PGOs remain and must remain responsible for real-time balancing of electric power supply and consumption in respective control areas;
- As PGOs we are committed to deploy “smart grid” technologies in our networks, which have to be interoperable with each other, comply with standardized protocols and provide more interactive relationship among the grid users;
- The investment in “smart grid” development must be guaranteed by regulatory authorities in all the countries involved, treated as a priority and receive allocation of adequate resources to reach the objectives.

As the companies responsible for managing two thirds of the world’s electricity demand, we undertake to respond to these challenges, as essential in countries with mature sectors as in those with great growth potential.

We, CEOs of the world’s largest Power Grid Operators, will continue our present work within VLPGO and commit time, effort and resources to support Joint Activities exploring development and application of new “smart grid” technologies related to high and ultra high voltage direct current (HVDC and UHVDC) transmission lines, integration of renewable energy sources, development of EVs, demand response, installation of new storage solutions, supervision and visualization of electric power grids and other related topics.

SIGNATORIES

Elia Group

Daniel DOBBENI, CEO

Eskom

Mongezi NTSOKOLO, Divisional Executive

Korea Power Exchange

Hwang EU-DUG, Executive Director

The Midwest ISO

John BEAR, President & CEO

National Grid

David WRIGHT, Electricity Network Investment
Manager

ONS

Hermes Jorge CHIPPE, CEO

PGCIL

R.N. NAYAK, Chairman & Managing Director

PJM Interconnection

Terry BOSTON, President & CEO

Red Electrica de Espana

Luis ATIENZA, Chairman & CEO

RTE

Dominique MAILLARD, CEO

SGCC

Jun LUAN, Executive Vice President

SO UPS

Fedor OPADCHIY, Director of Markets
Support & Development

TEPCO

Shinobu MATSUMOTO, Manager of Power
Network Division

Terna

Carlo SABELLI, Head of Real Time
Department