



October 4, 2021

Senator Chuck Schumer
Majority Leader
322 Hart Senate Office Building
Washington, DC 20510

Senator Mitch McConnell
Minority Leader
317 Russell Senate Office Building
Washington, DC 20510

Senator Joe Manchin
Chairman
Senate Energy & Natural Resources Committee
304 Dirksen Senate Building
Washington, DC 20510

Senator John Barrasso
Ranking Member
Senate Energy & Natural Resources Committee
304 Dirksen Senate Building
Washington, DC 20510

Dear Majority Leader Schumer, Minority Leader McConnell, Chairman Manchin and Ranking Member Barrasso,

The GridWise Alliance and the Grid Infrastructure Advisory Council (GIAC) write to express support for essential grid modernization investments in the budget reconciliation measure. These investments are critical to building a 21st Century electric grid that can support a low-carbon economy, ensure reliable and affordable electricity, and offer consumers choices.

The GridWise Alliance represents broad and diverse stakeholders that design, build, and operate the electric grid. Since 2003, the GridWise Alliance has been at the forefront of educating key industry stakeholders on the critical need to modernize our nation's electricity system. The GIAC is a coalition of leaders from the electric utility industry, environmental groups, labor unions and other interested parties in the public and private sectors who support GridWise Alliance's call for significant investments in our electric grid.

The House's budget reconciliation package provides at least \$410 billion in funding for clean energy generation beneficial for electrification of buildings, appliances, and transportation. While we appreciate the robust funding for these priorities, GridWise Alliance believe the goals of decarbonizing the electricity sector and electrifying other segments of the economy will be undermined without investments in the distribution sector, which did not receive any funding in the House budget reconciliation package. Moreover, the distribution sector is facing growing challenges from more frequent extreme weather conditions and cyber-security threats.

In this context, we appreciate and urge the Senate to include significant investments in their budget reconciliation package for grid flexibility. Such investments can support the following goals:

- Integrating intermittent renewables in a reliable manner
- Accommodating increased load from widespread deployment of electric vehicles (EVs) and building electrification

- Providing customers with tools to manage their charging, and granular metering for equitable rate plans for distributed energy resources and EVs
- Improving visibility of the system for grid operators, helping to quickly rebalance system stability
- Leveraging smart grid fiber and wireless broadband communications networks to provide middle mile broadband and last mile internet service for consumers.

Federal funding helps incentivize private investments in important grid modernization projects. Notably, the American Recovery and Reinvestment Act smart grid investments leveraged an additional \$4.5 billion of private dollars.¹ Because of this public-private partnership, many utilities accelerated their grid modernization plans by up to 10 years, or broadened project scope to benefit more customers.

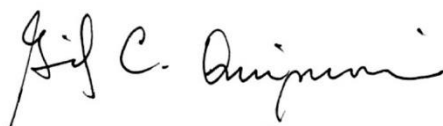
There are also significant economic benefits related to federal investments in the electric grid. A 2019 study found that \$25 billion for grid modernization would create:

- * 73,100 direct, indirect, and induced jobs each year for five years
- * \$5.3 billion in total earnings per year for five years
- * \$7.2 billion in overall added economic value each year for five years²

These specific benefits come on top of the broader economic benefits of a cleaner, more resilient and reliable grid that serves as the backbone of our modern economy.

We appreciate your consideration of funding for grid modernization. Should you have any questions, please contact Richie O'Neill (roneill@gridwise.org) or Andrew Shaw (andrew.shaw@dentons.com).

Respectfully,



Gil Quiniones

Chair, GridWise Alliance
President & CEO, NYPA




Lisa Barton

Vice-Chair, GridWise Alliance
Executive Vice President & COO, AEP



¹ US Department of Energy. 2016. Smart Grid Investment Grant Program Final Report. https://www.smartgrid.gov/files/documents/Final_SGIG_Report_20161220.pdf

² E2. 2020. Build Back Better, Faster: How a federal stimulus focusing on clean energy can create millions of jobs and restart America's economy. <https://e2.org/reports/build-back-better-faster-how-federal-clean-energy-stimulus-can-restart-americas-economy/>