

SMART GRID INVESTMENT GRANT APPLICATIONS

By John Hightower

SMART GRID EXPERTISE AND AN EFFICIENT, RESPONSIVE APPROACH HELPS 10 DIVERSE UTILITIES PREPARE SOUND ARRA GRANT APPLICATIONS. MORE IMPORTANTLY, IT PREPARES THEM FOR MOVING THEIR SMART GRID VISIONS FORWARD.

THE CLIENTS: TEN DIVERSE UTILITIES.

West Monroe Partners worked with 10 utilities to pursue Smart Grid and broadband investment grant opportunities available under the American Recovery and Reinvestment Act. The utilities involved represent a diverse range of operations and ownership, including:

- ◆ Rural and metropolitan.
- ◆ All parts of the United States, including a US territory in the South Pacific.
- ◆ Municipal, co-op, and investor ownership.

A STIMULUS FOR MOVING FORWARD WITH A SMART GRID.

The American Recovery and Reinvestment Act of 2009 (ARRA) produced prominent funding opportunities for utilities pursuing several types of initiatives, including:

- ◆ Advanced Metering Infrastructure (AMI), electric distribution automation, and substation automation projects.
- ◆ Plug-in hybrid electric vehicle demonstration projects.
- ◆ Renewable energy projects.
- ◆ Energy efficiency projects.
- ◆ Broadband deployment in rural or under-served areas.
- ◆ Implementation of multi-use networks also serving the needs of Smart Grid and AMI communication.

Although each of the utilities involved had unique goals, unique opportunities under the ARRA grant program, and unique operations, they shared a common objective—to file a timely and compelling ARRA grant application that demonstrated:

- ◆ Smart Grid functions using a sound technical approach.
- ◆ A compelling case for why this project at this utility.
- ◆ Readiness to proceed with the project(s) upon receiving an award.

AN EXPERIENCED PARTNER; READY TO ASSIST.

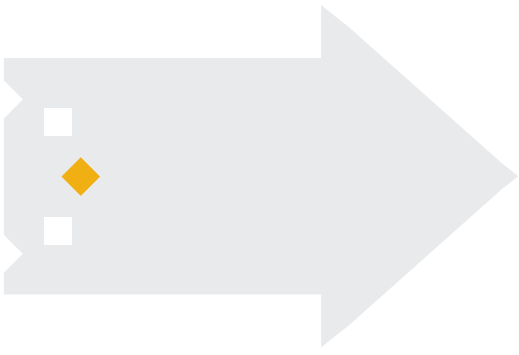
For assistance, these utilities turned to West Monroe Partners, which offered:

- ◆ Deep and diverse industry experience with Smart Grid, AMI, communication, and energy efficiency projects.
- ◆ Supporting expertise in infrastructure development, cyber security, networks, and IT systems.
- ◆ Previous experience with federal grants.

West Monroe Partners offered a responsive, efficient approach for helping utilities:

- ◆ Evaluate Smart Grid or other opportunities.
- ◆ Develop a Smart Grid road map.
- ◆ Develop a bottom-up cost and benefit analysis as a foundation for creating a business case.
- ◆ Develop the detailed implementation plan.
- ◆ Complete the ARRA grant application in a timely manner.

In each case, West Monroe Partners customized its process and team to the utility's needs and areas of focus.



INDUSTRYSOLUTIONS

AN EFFICIENT PROCESS.

West Monroe Partners' project teams typically worked with each utility to complete the following steps:

- ◆ Conduct a quick assessment of the utility's objectives, plans, and operations.
- ◆ Discover, validate, and document the business requirements for the utility's intended Smart Grid project(s).
- ◆ Create a high-level business plan and project implementation plan for key Smart Grid elements—for example, substation automation, distribution automation, AMI, communications, and in-home and online solutions that can provide compelling end-user feedback on energy usage to drive demand reduction and energy conservation.
- ◆ Document the solution architecture and key technologies, estimated costs, estimated benefits and economic impacts, performance metrics, and key implementation considerations.
- ◆ Select and negotiate with vendors, where applicable.
- ◆ Identify the project governance oversight and execution strategy.
- ◆ Complete an internal utility business case that enabled the utility to determine whether it would proceed or not proceed with the grant application (remember, the utility still must provide 50 percent of the funds required for the project).

From these activities and deliverables, West Monroe Partners worked with each utility to develop an application strategy with the highest possibility of success—including identifying an appropriate advocacy strategy to support the utility's grant request and preparing and filing the different parts of the applications.

West Monroe Partners' project teams were able to complete these projects in a very compressed time frame through the use of established methodologies and tools for evaluating utility operations. In all cases, a key tool was the Smart Grid Assessment Profile (S-GAP), which is a very detailed interview matrix that allows the team to quickly understand the utility's entire business, identify key areas of improvement, and define a Smart Grid vision and road map.

MUCH MORE THAN A COMPLETED GRANT APPLICATION.

Each of the utilities filed sound grant applications to the Department of Energy or relevant organization in a timely manner and is awaiting the results. More importantly, with the support of West Monroe Partners, each one is "shovel ready," with a clear road map for moving forward once they receive a response from the Department of Energy.

West Monroe Partners is an international, full-service business and technology consulting firm focused on guiding organizations through projects that fundamentally transform their business. With the experience to create the most ambitious visions as well as the skills to implement the smallest details of our clients' most critical projects, West Monroe Partners is a proven provider of growth and efficiency to large enterprises, as well as more nimble middle-market organizations. Our more than 300 consulting professionals drive better business results by harnessing our collective experience across a range of industries, serving clients out of offices across the United States and Canada.