



Nightly Business Report President Obama Gets Into The Green of Things

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SUZANNE PRATT: President Barack Obama is tackling his twin goals of increasing the nation's energy independence and reducing global warming. He has directed the Environmental Protection Agency to reconsider allowing California and other states to set tougher auto emission standards. He also wants new car models to meet higher mileage standards starting in 2011. Auto makers say those changes would cost billions of dollars at a time when business is already struggling. The president says the industry needs to innovate

BARACK OBAMA, PRESIDENT OF THE UNITED STATES: As we move forward, we will fully take into account the unique challenges facing the American auto industry and the taxpayer dollars that now support it. And let me be clear: our goal is not to further burden an already struggling industry; it is to help America's auto makers prepare for the future.

PRATT: President Obama also wants to boost energy efficiency by building 3,000 miles of new power transmission lines. There are also calls for \$11 billion in spending to update the nation's electricity grid, part of the economic recovery plan making its way through Congress. Almost half of that money would be dedicated to converting that system to a smart grid. As Dana Bate reports, the new technology is showing promise.

DANA BATE, NIGHTLY BUSINESS REPORT CORRESPONDENT: If a smart grid is the road to our energy future, the engineers at Gridpoint are laying the pavement. They're developing devices and software to make electricity cheaper and more efficient. Steve Hauser runs the company's market development team. He says in the age of cell phones and wireless Internet, our current electrical grid is outdated.

STEVE HAUSER, MARKET DEVELOPMENT OFFICER, GRIDPOINT: This whole spectrum of technologies has grown up in the last 10 years that has impacted all these other parts of our life pretty actively, but it really hasn't impacted how we manage energy.

BATE: For years, utilities have focused on managing the supply of electricity. But companies like Gridpoint are developing technology to manage demand, giving better information to both consumers and producers of electricity. Tim Clark is Gridpoint's guinea pig. He works for the company and has souped up his house with the company's products. Clark logs into Gridpoint's customer portal online, where he can see how much energy all his appliances are using and how

much it's costing him. Then he can program everything from his thermostat to his hot water heater, sending information to a computerized device in his basement he calls the brain. When you talk about this being the brain, you mean that you can just go on your computer and tell it, I want this to shut off at this time or do this at that time and this will do that?

TIM CLARK, DELIVERY OFFICER, GRIDPOINT: That is correct. This brain is in constant communication with the utility's servers and is recording information and so it can actually control different things in the house as well as measure things that are going on at the house.

BATE: That control not only saves Clark up to 30 percent on his energy bills, it also means he's putting less strain on the grid. Utility executive William Gausman says that ends up saving his company money, too.

WILLIAM GAUSMAN, V.P., ASSET MANAGEMENT, PEPSCO HOLDINGS: If you can reduce the peak by having customers use less or use their energy at different times of the day, then we don't have to build a distribution system to handle those higher peak loads.

BATE: Knowing when and how customers use energy also helps utility companies manage power supply. But for a smart grid system to work, Congressman Jay Inslee says there needs to be more transparency in energy pricing. He says if it's cheaper to run the dishwasher after midnight, consumers need to have that information and be able to act on it.

REP. JAY INSLEE, (D) WASHINGTON: Our market system is broken because it sends the same signal to us as consumers all through the day. Consequently, we don't make smart decisions on how we use electricity because we don't understand in our pricing mechanism the true value of that.

BATE: A smarter grid can also more easily integrate alternative energies like wind and solar power. And someday, electric hybrid cars will not only plug into the system, they'll also be able to feed energy from their batteries back into the grid. Gridpoint's Hauser says we're not there yet, but he believes soon, we will be.

HAUSER: Within 10 years, our kids and grandkids will say, oh yeah, how could you have had something that it wasn't like this?

BATE: That could make a smart grid as life changing for energy management as the Internet was for information. Dana Bate, NIGHTLY BUSINESS REPORT, Arlington, Virginia.