



Chairman Brien Sheahan's Introduction to the NextGrid Study

Thank you for your interest and participation in the NextGrid study.

I'm very pleased to welcome you to the NextGrid website and I want to outline the overall purpose and goals of the study, describe the roles of the project participants, discuss the process for the Working Groups, and opportunities for public involvement.

First, to discuss the study's **purpose**:

The study's goal is to address critical issues facing Illinois' electric utility industry in the coming decade and beyond. The study will examine the use of new technologies to improve the state's electric grid while minimizing energy costs to consumers. The study will focus on innovation, technological advancements, economic development, environmental considerations, and education.

Specifically, the study will:

1. Examine the trends in electricity production, usage, transactions, and the emerging technologies on the customer and utility sides of the meter that drive the need to consider changes in policy, and grid technology in Illinois;
2. It will define "grid modernization" and evaluate how introducing new technologies and policies would be advantageous for Illinois;
3. It will describe grid modernization benefits and challenges for consumers, utilities, and the environment; and
4. It will identify legal and regulatory revisions that may be needed to support grid modernization, optimize grid performance, spur innovation, and protect consumers.

The NextGrid study is not a docketed proceeding at the Commission and there will not be a Commission order related to it at its completion. It was initiated by a Commission resolution.

The purpose of the final report is to provide a comprehensive view of our current grid, and to provide a menu to policy makers, regulators, consumer advocates, the public, about the tools, technologies, and policies that could lead to the grid of the future.

The report will not in every instance determine a 'best path forward.' We want the report to be an honest assessment of where there is agreement on policies and where there is dissention. The report will describe where there are areas of consensus – and where there are areas of non-consensus. To that end, we encourage open, frank, and honest conversation from stakeholders

about how they believe their members and the community will be impacted – positively or negatively – by proposals.

Now that I've addressed a few of things that the report won't do, let me describe what the report **will do**.

1. The report will, first and foremost, educate energy stakeholders, policy makers, and the public.
2. The report will provide a full picture of the tools, technologies, policy, and regulatory options available to leaders of the state.
3. The report will consistently focus on how these potential changes would impact customers, with the goal of creating a strong, safe, and reliable grid for the benefit of customers and communities across the state.

Next, I'd like to describe the roles of the **project participants**.

1. **The Illinois Commerce Commission is the project leader and manager.**
2. The Electrical and Computing Engineering Department at the University of Illinois, specifically **Drs. Peter Sauer and George Gross, are the lead facilitator of NextGrid**, working closely with our ICC team. The U of I team will be responsible for writing the final report.
3. **Two senior consultants, Marty Cohen and Annette Beitel**, will provide support and assistance to each of the Working Group leaders and will help plan and facilitate Working Group meetings (WG). Annette will facilitate the meetings of our Stakeholder Advisory Council and Technical Advisory Group.
4. The study includes 7 Working Groups which will each meet over a series of months to discuss and deliberate. Each Working Group is responsible for producing one chapter of the final report, which the U of I will then compile into a coherent and cohesive report.

Now, to describe the **process** for the Working Groups:

Step 1 will be identifying the **Key Questions** that will be addressed by the Working Group. The Key Questions will be identified by the ICC, Working Group Leader and Working Group Members. For Working Group 1, we believe these questions to be:

- What are the current capabilities and challenges of new and emerging technologies including renewables, storage, microgrids, and electrification of transportation, and other sectors?
- What are the challenges and opportunities posed by increased deployment and penetration of these new and emerging technologies?
- How can reliability and resiliency be assured in the face of increasing demands on an integrated grid?
- How should the utility functions evolve to enable the integration and growth of new technologies?

Step 2 will be engaging Working Group Members and outside experts for a series of **presentations** that, in the context of the key questions, (1) educates stakeholders, (2) elicits feedback, and (3) drives to answers

Step 3 will be for the Working Group Leader, with input from the WG Members, to draft **Preliminary Findings** from presentations and Q&A that identify issues/challenges, common ground/consensus and areas of disagreement

Step 4 will be a **Comment Period**. The Working Group leader will socialize Preliminary Findings for comment with Working Group Members, other Working Group Leaders, Stakeholder Advisory Council, Technical Advisory Group, and the public

Step 5 will be delivering a **Draft Report** by the Working Group Leader for review by NextGrid Lead Facilitator, TAG, SAC, and ICC

Step 6 will be more **Public Engagement**, using multiple channels for public participation, including online portals for posting of reports, public engagement sessions throughout the State, and/or presentations to ICC.

I also want to describe in more detail the **public participation**. To control the number of participants and encourage frank, open dialogue and a participatory environment, we decided to cap the number of participants in each Working Group. This selection process is managed by the ICC, U of I, and the Working Group leaders.

There will be numerous opportunities for public comment throughout the process. All Working Group meeting agendas will be published online in draft form so that the public and stakeholders can comment. Meeting summaries will also be posted online.

Additionally, the public is invited to submit white papers, expert research, or any relevant materials to our public portal, ICC.NextGrid@illinois.gov. The ICC is managing the NextGrid website and will forward submissions on the Working Group.

Each Working Group will produce preliminary findings for their chapter of the final report. The public will have an opportunity to review and comment on the draft chapters.

Additionally, we will host three public meetings throughout the state to invite the stakeholders and the public to comment. Our initial plan is to hold one meeting in the St. Louis Metro East area, one meeting in central Illinois, and one meeting in Chicagoland.

The final report will be published on the NextGrid website.

Again, I want to thank you for participating in the study and for being with us today. Illinois has been a national leader in modernizing our grid, and NextGrid will help us continue that leadership and create a grid that benefits all Illinoisans.

Sincerely,

Brien Sheahan
Chairman & CEO