

Obama to give \$3.4 billion in grants for smart grid

WASHINGTON (Reuters) – President Barack Obama on Tuesday will announce \$3.4 billion in government grants to help build a "smart" electric grid that will save consumers money on their utility bills, reduce blackouts and carry power supplies generated by solar and wind energy, the White House said.

It marks the largest award made in a single day from the \$787 billion stimulus package approved by Congress, and will create tens of thousands of jobs while upgrading the U.S. electric grid, according to administration officials.

The grants, which range from \$400,000 to \$200 million, will go to 100 companies, utilities, manufacturers, cities and other partners in 49 states.

"It is fair to say that the current (grid) system is certainly outdated. It's dilapidated," Carol Browner, the president's top adviser on climate change and energy issues, told reporters in a telephone briefing.

"Not only do we need to make the current system bigger and add more watts, but we need to make it function better," she said.

The grants will not be used to build new power lines, but improve the capabilities of the electrical system. "I would say it's more than a face-lift," Browner said.

The money will pay for about 18 million smart meters that will help consumers manage energy use in their homes, 700 automated substations to make it faster for utilities to restore power knocked out by storms and 200,000 smart transformers that allow power companies to replace units before they fail, thus avoiding outages.

Obama will announce the grants on Tuesday when he visits one of the largest solar farms in the country in Arcadia, Florida.

The winning companies have secured an additional \$4.7 billion in private money to match their government grants, creating \$8.1 billion in total investment in the smart grid.

The White House will act fast to get the money into the economy, with the funds expected to be in the accounts of the winning companies within 60 days. The projects themselves will last 12 to 36 months.

One of the winning companies is Constellation Energy's Baltimore Gas and Electric Co, which will receive \$200 million in grants to add to \$250 million in private funds to deploy a smart meter network for all of its 1.1 million residential customers.

BGE customers can use the meters to view their electricity use in real-time, allowing them to run appliances when there is less demand on the grid and power prices are cheaper.

Sempra Energy's San Diego Gas and Electric Co subsidiary will get \$28.1 million on top of the \$32 million it plans to spend to connect 1.4 million smart meters.