**National Capital Area Chapter**

United States Association for

# Energy Economics news

www.ncac-usaee.org

## *"Global LNG Supply and Competition – Short and Long-Term Issues"*

**Speaker:**
**Frederick R. Adamchak**
**Senior Advisor**

**Poten & Partners, Inc., New York, NY**

**When:** 12:00 PM, September 19, 2008

**Where:** Chinatown Garden Restaurant
618 H St NW
Washington DC 20001
Gallery Place-Chinatown Metro Stop

North America's LNG receiving capacity has grown dramatically in 2008, with completions of new import terminals along the Gulf, East and West coasts. At the same time, Europe's interest in LNG is rising as they seek to balance dependence on pipeline gas. Independent LNG expert Fred Adamchak, of traders/consultants Poten & Partners, will take a broad look at the ups and downs of the emerging global trade in liquefied natural gas (LNG) in both the Pacific and Atlantic Basins, touching on spot markets, further growth in liquefaction and receiving capacity, emerging new sources, rising capital costs, and key geopolitical issues.

***Please join us on Friday, September 19, at 12 noon at the Chinatown Garden restaurant for this opportunity to hear about and discuss the changing scene in global natural gas trade. We will begin networking at noon, with lunch served promptly at 12:30 and the presentation beginning at 1 pm. The meeting will end no later than 2 pm.***

**Cost:** $20.00 for members and their guests ($5.00 for student members) and $25.00 for non-members and their guests. Make checks payable to NCAC-USAEE.

**Student Subsidy Continues:** As noted previously, ***we are making a special effort to attract more students to our luncheons this year.*** For this purpose, the Chapter's governing Council has agreed to allow any Chapter member bringing a student attending for the first time to ***themselves*** pay only the student rate – $5.

**Also For Students - $750 Grants Available!** Once again this year, the NCAC is pleased to offer $750 stipends to up to three DC area students to attend the USAEE/IAEE North American Conference in New Orleans, December 3-5, 2008 – see below.

**RSVP:** By COB Wednesday, September 17, to Mark Lively, Chapter Treasurer, by phone at (301) 428-3618 or by e-mail at mbelively@aol.com. Please let Mark know of any special dietary needs or restrictions so we can accommodate.

**Check Out Our New Website!** Please visit our National Capital Area Chapter's new website, located at the same address as before, www.ncac-usaee.org - a whole new look, lot's more information, useful links!!

**28th USAEE/IAEE North American Conference – Unveiling the Future or Energy Frontiers, December 3-5, 2008, New Orleans.** The National USAEE is staging a lively and informative two days' plus of sessions on major energy-economic issues – make your plans now to be in New Orleans this December! You'll hear and participate in discussions on the Gulf region's robust energy scene, energy savings and renewable supply strategies, and more, culminating in a special Friday afternoon session aimed at advising the new Administration on how to deal with the most pressing energy-economic issues facing the nation – international supply, prices, demand reduction, carbon, and more. To sign up, visit http://www.usaee.org/USAEE2008/index.html

**DC Area STUDENTS – apply now for an NCAC grant of $750 to attend the USAEE/IAEE conference – HURRY! USAEE fee waivers must be submitted by November 3, thus your NCAC grant application should be to the NCAC before that! The NCAC needs a letter from you and a faculty member to qualify you for the NCAC grant. Send the letters to glen.sweetnam@eia.doe.gov.**

**2009 NCAC-USAEE Membership Renewal/Registration:** The attached sheet provides a registration form for new members for 2009 or a renewal form for existing members. Please fill out and send (with a check) to Mark Lively, Chapter Treasurer or bring it with you to a luncheon.

**CURRENT Group's Harry Wingo Speaks at the June 20, 2008 NCAC-USAEE Luncheon.**
Approximately 30 members attended the June luncheon to hear Mr. Harry Wingo make a presentation on *"Smart Grid: Green Jobs, Energy Independence and Climate*

*Protection."* Mr. Wingo is Vice President Government and Regulatory Affairs for CURRENT Group, LLC.

After networking and lunch, NCAC President Mike Canes opened the meeting by announcing the election results for the 2008-2009 officers, and introducing the officers in attendance at the meeting. He also announced that Wil Kohl is retiring, so we will have to find another person at John Hopkins' SAIS in order to continue the cooperative working relationship NCAC and SAIS have on the annual conference. Mike concluded his remarks by announcing there were two publications that were available at the door, the "*Energy Papers*" summary from the 2008 NCAC/SAIS annual conference, and "*What You Need to Know About Energy*" published by the National Academy of Sciences, which can be found at http://www7.nationalacademies.org/energy/energybooklet.html.

Mr. Wingo began his presentation by explaining the Current Group is a Germantown company with approximately 300 employees, who provide smart grid equipment and solutions to electric utilities. According to Current, smart grid makes for greater energy efficiency which can help create new markets and allow users to create/gain value on their energy efficiency investments.

Smart grids have three key characteristics:

- High speed 2-way communications
- Embedded sensors throughout the system
- Diagnostics programs

With these characteristics in place, a smart grid proactively senses the system's status, gathers information, and sends real-time updates on any potential problems. This increases efficiency, enhances security, and results in a more reliable system.

It's estimated that power outages cost the U.S. over $100 billion/year. But utilities don't know an outage has happened unless the users call. A smart grid can provide operators with real-time knowledge of the grid status, and instantaneously detect outages, including location and probable cause. This allows the operator to re-direct resources quickly, by re-routing power or sending the repair staff to the affected areas. A fully functioning smart grid can also proactively and dynamically sense and remedy potential problems before they happen, and it can also be "self-healing" in that it can sense where the problems are and try to resolve them in real time. A fully functioning system brings a great deal of stability and reliability to the grid.

Current's original market plan was to provide broadband internet services to homes, and LAN capabilities within a home by using the electric wires already in place. As the internet markets have developed and technology has advanced, Current can see a future where every outlet is turned into a communications socket and every appliance can be a smart appliance.

Last year the president signed the Energy Independence and Security Act of 2007, which calls for the implementation of smart grid systems and modernization of the electric grid. State governments and the major presidential candidates also support the implementation of a smart grid as a way to meeting the challenges of increasing electric demand, an aging utility infrastructure, and the environmental impact of greenhouse gases produced by electric generation. But a key to deploying this technology is government incentives, because utilities want to know that they'll be able to get a decent return on their investment.

There is also a strong focus on a smart grid because the energy world is changing. Building new power plants, even if you discount political factors, is becoming more uncertain because of high materials cost, so there is an emphasis on increasing efficiency, and the grid is an area of the energy system that has not been updated.

A big challenge is envisioning how a smart grid will develop in the next several years as technology changes. Currently some operators would like to start by moving to automated low bandwidth meters, and deploy the full fledged high bandwidth systems at a later date. But what is needed is the vision to roll out the high speed, fully functioning smart grid now, under the knowledge that many details will have to be worked out as the technology advances. Rolling out the smart grid is no difference than rolling out the internet, in that many of the uses and features in today's internet were not even envisioned when it was first widely deployed.

The economics of the smart grid will be a deciding factor. For example, if businesses and homes were incentivized to do local power generation, why not also set-up the technical infrastructure to sell excess power back to the grid? Which bring the issue of decoupling. How do you compensate the utilities for lost revenue? All of these issues will have to be workout.

Mr. Wingo said that Current is in the process of rolling out a 10-thousand home smart grid test project in Boulder, CO, which should be fully functional by the time the Democratic National Convention opens in late August. He also estimated that a nationwide smart grid roll-out would cost approximately $26 billion.

# 2009 Membership Renewal/Registration Form

## National Capital Area Chapter

## U.S. Association for Energy Economics

☐ Please check here for membership renewal.

☐ Please check here for new membership registration.

Membership registration/renewal for the NCAC-USAEE is expected by the end of the preceding calendar year.

Please return your registration form and check to **Mark Lively** — NCAC-USAEE Treasurer at: **Utility Economic Engineers, 19012 High Point Dr., Gaithersburg, MD 20879.** Phone: 301-428-3618. Email: MbeLively@comcast.net

Full membership dues for 2009 are $20.00 (students $10.00). Please make checks payable to NCAC-USAEE.

***Please print clearly.***

**NAME** _____

**TITLE** _____

**ORGANIZATION** _____

**MAILING ADDRESS *** _____

_____

_____

**TELEPHONE NUMBER** _____

**FAX NUMBER** _____

**E-MAIL ADDRESS **** _____

**Would you be interested in becoming more involved in NCAC-USAEE by serving on the Council or as an officer of the Chapter? Yes ___ No ___**

**Please list topics or speakers you would be interested in:**

_____

_____

* For DOE, please provide complete routing address.

** Provide the **best e-mail address** to receive the newsletter.