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High performance. Delivered.

Peak Load Management Alliance 2011 Spring Conference

Las Vegas, Nevada April 12, 2011

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Management Consulting - Accenture Smart Grid Services

Accenture: Overview

- Accenture is a global management consulting, technology services and outsourcing company with approximately 211,000 people serving clients in more than 120 countries.

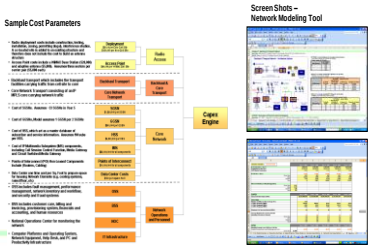
- Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to become high-performance businesses and governments.

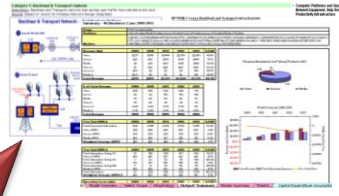
- Accenture is involved with over 70 smart grid projects worldwide with over 10,000 dedicated utility experts. Accenture's Smart Grid Services practice helps utilities realize their smart grid vision: becoming more efficient, more effective, sooner. "High Performance. Delivered", it's what we do.

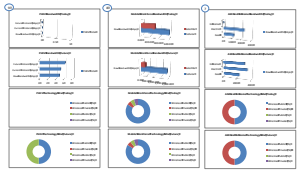
Accenture Smart Grid Services (ASGS)

Management Consulting:

- Strategic Planning
- Capability Assessment
- Business Case Development
- Stakeholder Alignment
- Business Process Design
- Multi-Channel Mgmt.
- Research

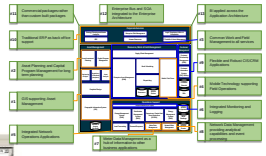


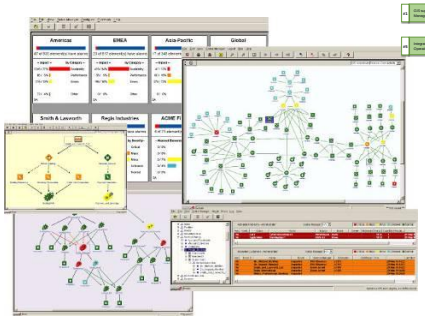


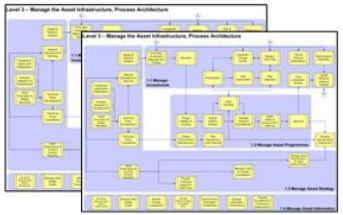


Outsourcing:

- System Maintenance
- Business Process Outsourcing
- Network, Communications, Systems Operations
- Managed Services







Technology & Systems Integration:

- Systems Integration: AMI, MDM, DRMS, CIS, OMS, GIS, EAM, WFM, EMS/DMS
- Project Mgmt: Plan, Analyze, Design, Test, Deploy
- Enterprise Architecture
- PMO

Smart Meter implementations across North America have caught the attention of national media.

Public Utility Commission orders tests of smart meters – Dallas Morning News, Mar 5, 2010

PGE Sued Over Smart Meters – Seeking Alpha, Nov 11, 2009

CRC threatens smart meter supply pinch – BusinessGreen, Mar 9, 2010

Smart Meter, Dumb Idea? – WSJ, Apr 27, 2009

Smart meter worm could spread like virus – earth2tech, Jul 31, 2009

Smart meters NOT the way to go – Now Public, Mar 14, 2010

Victoria Pulls the Plug on Smart Meters – wotnews.com, Mar 24, 2010

New 'smart' electrical meters raise privacy issues – physorg.com, Nov 6, 2009

Smart Meter Blows Up at Business – ABC 23, Nov 12, 2009

Smart meters flaws aid hacking – The Columbus Dispatch, Mar 28, 2010

68% of Americans have never heard of Smart Grid – Harris poll – metering.com Mar 10, 2010

Some smart meter opponents refuse installation – dallasnews.com, Mar 5, 2010

“Not in my backyard”. Why the customer pushback?

This is a study in Human Behavior:

- Awareness requires Information
- Understanding requires Education
- Power to change (benefit) requires Choices

The absence of any of these will result in:

- Confusion
- Frustration
- Lack of trust
- Resentment

(Generally Speaking) Utility Focus on Smart Grid Deployment Issues have been Incomplete

Hardware and Field Deployment

- Meter accuracy
- Timeliness of meter registration/ provisioning
- Network propagation
- Proprietary vs. standard protocols
- Marketecture vs. Architecture
- Solution warranty
- Managing firmware changes
- Safety
- Installation process optimization
- Volume of exchanges exasperate existing process gaps
- Transition of meters from manual / AMR read to AMI read
- Transition of TOU meters to AMI
- Installing correct meter in correct service
- Adherence to deployment schedule
- Labor Relations (LR) issues with 3rd party installers
- Sustained deployment volumes
- Volume of errors/exceptions
- Data quality before meter change
- Data quality after meter change
- Meter access issues
- Transition of AMR/manual reads to AMI
- Meter base damage / repairs
- Number of exchanges returned to utility
- Data integrity through install process
- Technology/communication failuresChain of custody / asset management
- Availability of materials
- Space for inventory
- Cross dock inventory controls
- SOX compliance / reporting
- Asset disposal / re-sale
- Warranty management
- QA Testing

Back End Systems and Integration

- New AMI application maturity / stability (or lack thereof)
- Integration of new systems into the enterprise IT portfolio
- 'Division of labor' across systems
- System performance
- Quality assurance
- Data management
- Standards/Interoperability
- End-to-end integration
- Managing across multiple releases
- Transition to Operations
- Implementation of SOA solutions
- Implementation of an end to end secure, compliant, and sustainable solution
- Appropriate protection and control of consumer data and mission sensitive transactions
- Manageable encryption and key management technologies
- Ongoing vulnerability and security configuration management
- Logging and Security & Incident Event Management (SIEM)
- Solution resiliency

The “customer” factor has not received the attention it deserves or requires.

The Customer Issues / Concerns

Customer Interaction and Outreach

- Too much focus on the technology and not enough of the consumer
- Inadequate internal training, systems, and processes
- Business case not fully understood /explained
- Inadequate / limited marketing and promotion
- Sustaining interest over long deployment period

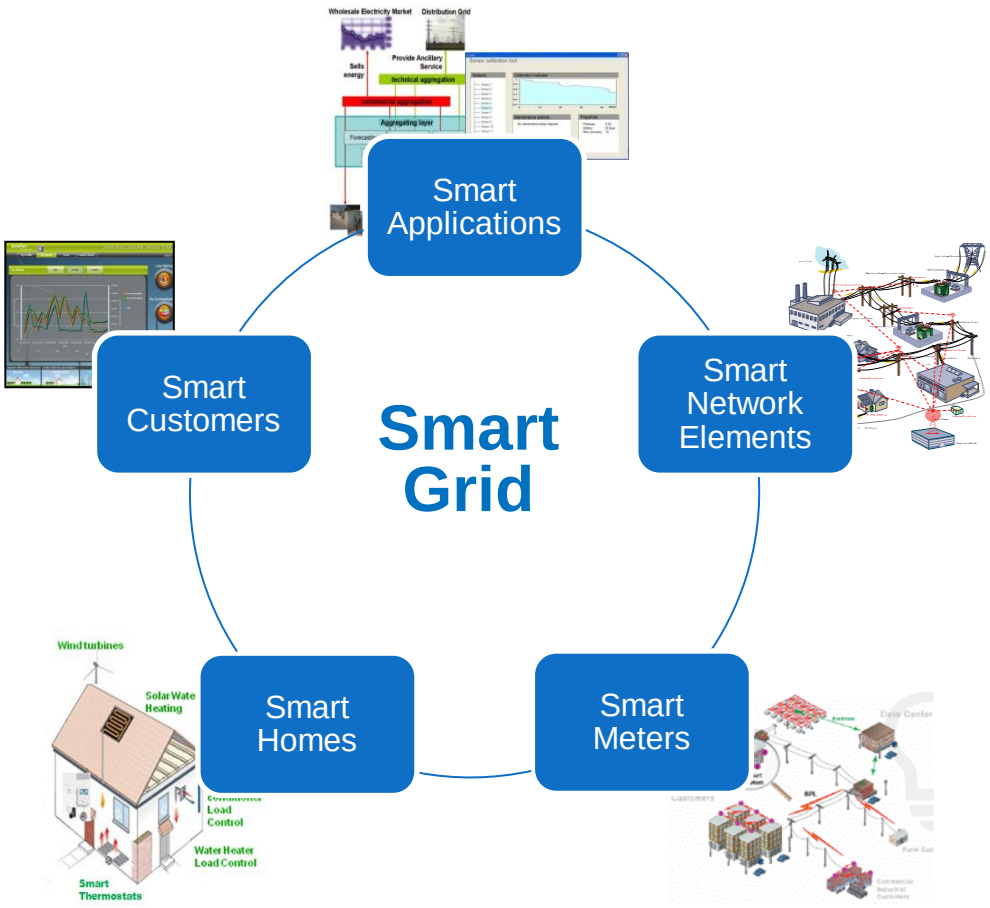
Deployment Communications

- Pre-deployment notifications and education
- Vehicle for notifications – new media, letter, call, email, door hanger, knock?
- Timing of communication
- Appealing to customer segments
- Consistency of messaging from field to office/call center
- Inadequate customer information (data presentation, education, advice / tips)

Customer Programs

- Lack of customer choices
- Poor program design
- Inadequate program education and support
- Program Specific Design Issues

What makes a Smart Grid Program successful?



- Design with the end in mind
- Address the business holistically (strategy, process, people, and technology)
- Keep a pace consistent with the organization's ability to absorb change
- Be flexible to respond to changes (speed or direction) in the marketplace
- Focus in early delivery phases on immediate benefit realization ("quick wins")
- Establish a program management office with a strong and unambiguous governance model to handle the complexities of a large scale program
- Interact and communicate proactively with key external stakeholders (Customer, PSC, Advocacy Groups, Unions, Media, Local Organizations…)
- Educate customers early and set expectations re: technology capabilities and programs