

# 1.2.4: Grid Services and Technologies Valuation Framework



**GRID**  
MODERNIZATION INITIATIVE  
U.S. Department of Energy

## Project Description

The project will develop a framework enabling electricity-sector stakeholders to conduct, interpret, and compare valuation studies with high levels of **consistency, transparency, repeatability, and extensibility**. The effort is grounded in a **long-term vision of “Generally Accepted Valuation Principles”** as a paradigm for valuation as a mature, sophisticated process.

## Expected Outcomes

- The framework will be **guidance—not another model**—creating a systematic decision process by which studies can be interpreted and conducted with key assumptions made transparent.
- An industry-vetted, demonstrated, and operationalized process with practical products supporting improved power-sector decision making incorporating **value beyond monetary savings and costs** to build a more affordable, sustainable, flexible, reliable, resilient, and secure grid.

## Progress to Date

- Engaged Stakeholder Advisory Group of **key decision-makers** (including commissioners, legislators, utilities, investors, consumer advocates, and more).
- Development of a **draft framework decision process** grounded in current best practices, challenges, and future needs. **Next step: test cases** to exercise and revise the framework.



*Creating a **useful and used framework** requires engaging with stakeholders to meet emerging needs, credible demonstration with industry, and working towards a Long-Term Vision of Generally Accepted Valuation Principles*

Significant Milestones	Date
Establish and engage Advisory Group	Sep 2016
Review state of valuation practices	Jan 2017
Draft Framework	Apr 2017
Bulk-power system test case	Oct 2017
Distribution test case	Jun 2018
Completed Framework	Sep 2018