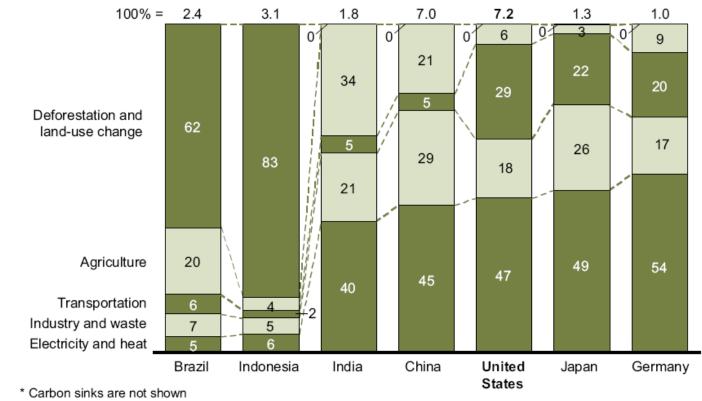
Smart Grids

Andrew Chien Vice President of Research Director, Future Technologies Research Vice President, Intel Labs



Green House Gases (GHG) Emissions

GHG EMISSIONS PROFILES FOR SELECT COUNTRIES – 2005* Percent, Gigatons CO₂e



Source: UNFCCC, WRI, IEA, EPA, McKinsey analysis



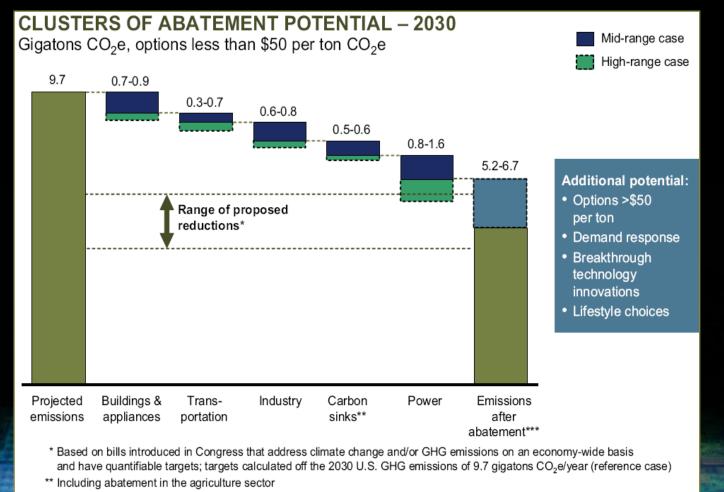
Green House Gases (GHG) Emissions

Various contributors:

Electricity & Heat, Transportation, Deforestation, ...



GHG abatement potential



*** Adjusted for cumulative rounding errors

Source: U.S. EIA; EPA; USDA; McKinsey analysis

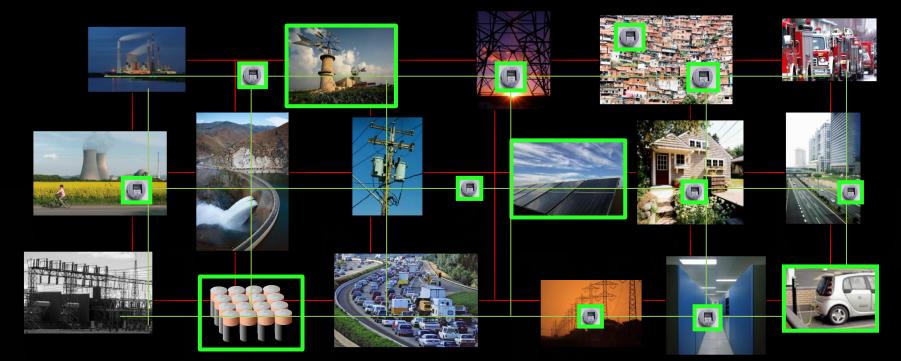


GHG abatement potential

Highest potential: Power + Buildings & appliances



The SMART Grid



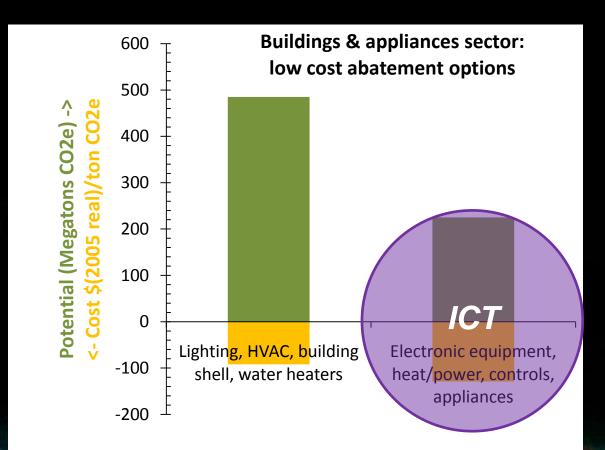
Generation

Transmission

Consumption

SMART grid = SMART buildings + SMART power + SMART vehicles + ... => Energy storage, renewable sources, ... => Ubiquitous sensors, ICT, ...

SMART buildings



Intergovernmental Panel on Climate Change, 2007:

The buildings sector offers the largest low-cost potential in all world regions by 2030.



Adapted, with changes, from McKinsey & Company, "Unlocking Energy Efficiency in the U.S. Economy", 2009

Microgrid – the edgy SMART grid

- Philosophy
 - Local intelligence & management with ICT
- Inside a building
 - Energy efficient operation of appliances and equipment in home, office, factory,...
- Across buildings
 - Local energy generation and consumption, energy storage for neighborhood, campus, complex, ...
- Across infrastructures
 - Energy efficient transportation of people, goods, services





Vision



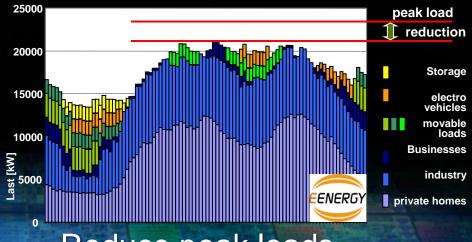
Save money, make money



Banish blackouts



Be energy independent



Reduce peak loads



Earth image owned by NASA, http://visibleearth.nasa.gov/

Peak Load reduction: The German program to manage future power supply, © Ludwig Karg, B.A.U.M Consult GmbH, Head of E-Energy Ancillary Research

Challenges



Billions of energy consuming devices

- Variety of devices, owners
- Cost, lack of control





Complex ecosystem, lack of standards

- Intersection of diverse industries
- Government regulations, globally variable





Technical

- Management across boundaries
- Privacy and security of data
- Affordable energy storage

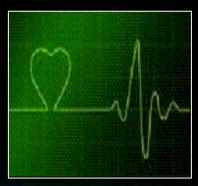




Intel Labs Research

- Microgrids
 - Ensure security and privacy of data and devices
 - Distributed control and intelligence
 - Using storage to increase flexibility
 - Electric cars
- Intelligent control plane
 - Open protocols, APIs, measurement formats
 - Low power networking
 - Real-time monitoring and control
 - Time shifting: renewables, off-peak







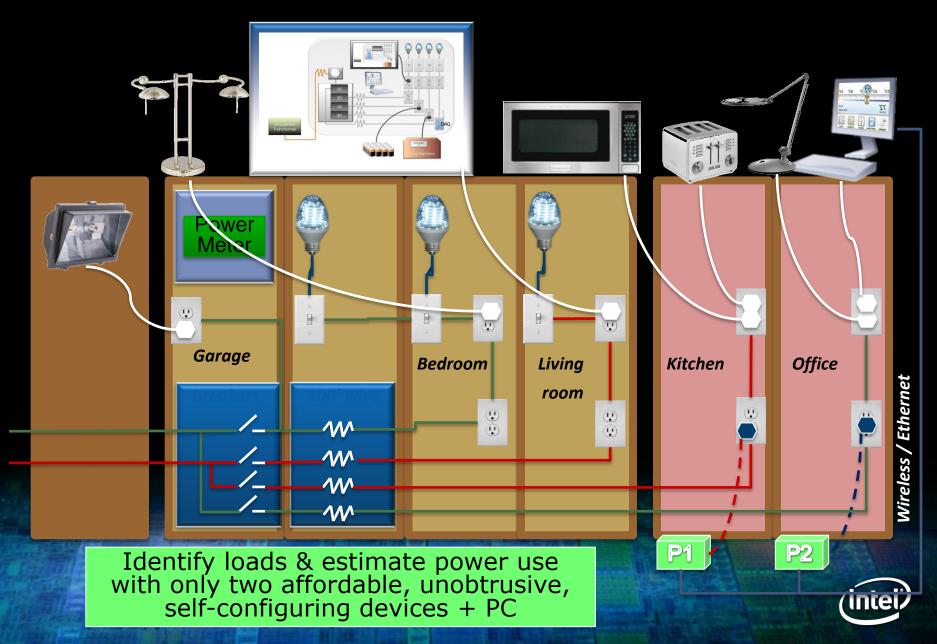
Intel Open Energy Initiative

- Objective: Accelerate the integration of intelligent renewable energy sources, Smart grids, Smart buildings, Empowered energy consumers
- Activities
 - Inform Smart energy policy
 - Leadership in smart grid standards bodies and consortia
 - Partnerships with utilities on smart grid pilots and deployment
 - Research & development of smart energy technologies
 - Strategic venture investment via Intel Capital





DEMO: Home Energy Monitoring



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Consequently, demand could be different from Intel's expectations due to factors including changes in business and economic conditions, including conditions in the credit market that could affect consumer confidence; customer acceptance of Intel's and competitors' products; changes in customer order patterns including order cancellations; and changes in the level of inventory at customers. Intel operates in intensely competitive industries that are characterized by a high percentage of costs that are fixed or difficult to reduce in the short term and product demand that is highly variable and difficult to forecast. Additionally, Intel is in the process of transitioning to its next generation of products on 32nm process technology, and there could be execution issues associated with these changes, including product defects and errata along with lower than anticipated manufacturing yields. Revenue and the gross margin percentage are affected by the timing of new Intel product introductions and the demand for and market acceptance of Intel's products; actions taken by Intel's competitors, including product offerings and introductions, marketing programs and pricing pressures and Intel's response to such actions; and Intel's ability to respond quickly to technological developments and to incorporate new features into its products. The gross margin percentage could vary significantly from expectations based on changes in revenue levels; capacity utilization; start-up costs, including costs associated with the new 32nm process technology; variations in inventory valuation, including variations related to the timing of gualifying products for sale; excess or obsolete inventory; product mix and pricing; manufacturing yields; changes in unit costs; impairments of long-lived assets, including manufacturing, assembly/test and intangible assets; and the timing and execution of the manufacturing ramp and associated costs. Expenses, particularly certain marketing and compensation expenses, as well as restructuring and asset impairment charges, vary depending on the level of demand for Intel's products and the level of revenue and profits. The current financial stress affecting the banking system and financial markets and the going concern threats to investment banks and other financial institutions have resulted in a tightening in the credit markets, a reduced level of liquidity in many financial markets, and heightened volatility in fixed income, credit and equity markets. There could be a number of follow-on effects from the credit crisis on Intel's business, including insolvency of key suppliers resulting in product delays; inability of customers to obtain credit to finance purchases of our products and/or customer insolvencies; counterparty failures negatively impacting our treasury operations; increased expense or inability to obtain short-term financing of Intel's operations from the issuance of commercial paper; and increased impairments from the inability of investee companies to obtain financing. 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