

# PURC Energy Policy Roundtable

## October 31, 2006

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# Topics

1. Real-Time-Pricing at Southern Company
2. Gulf Power's GoodCents® Select Program

# Real-Time-Pricing at Southern Company

- Began early 1990's
- Alabama Power, Georgia Power, and Gulf Power- Approximately 2/3 of nations RTP sales.
- 2200 Customers
- Total annual retail energy sales at RTP: Billions of KWH

# Real-Time-Pricing at Southern Company



## Program Versions Offered

- Alabama Power :
  - One-part, day ahead
  - Two-part, day ahead
  - Two-part, hour ahead
- Georgia Power
  - Two-part, day ahead
  - Two-part, hour ahead
- Gulf Power
  - One-part, day ahead

# Real-Time-Pricing at Southern Company



## Customer Benefits

- Expectation of lower average price over time
- More attractive rate structure
- Opportunity for savings or low-cost incremental purchases

# Real-Time-Pricing at Southern Company



## Company Benefits

- Improved customer satisfaction
- Shifting of risk associated with short term supply cost changes
- Additional sales/revenues
- Confidentiality of prices
- Credibility with stakeholders
- Peak demand reductions

# Real-Time-Pricing at Southern Company

- Aggregate Southern Company peak demand response
  - >400 MW “at the meter”
  - or
  - > 500 MW “at the generator”

# Gulf Power's GoodCents® Select Program

- What is **GoodCents®** *SELECT*?
- **GoodCents®** *SELECT* is a residential advanced energy management system that gives customers control over their energy purchases by allowing them to program their central heating and cooling system, electric water heater and their pool pump to automatically respond to varying prices.

# Gulf Power's GoodCents® Select Program



## Components of GoodCents® Select

- A time-varying rate design with a near real-time pricing component
- An in-home, customer-programmed, automated energy management (AEM) system
- A way to rapidly communicate rate changes, critical peak conditions, and other messages to program participants
- A means of retrieving billing determinants

# Gulf Power's GoodCents® Select Program



## Highlights

- 8500 Current Participants
- 94% Customer Satisfaction Rating
- <5% Churn Rate
- 2006 Installation Goal – 3000 units
- Testing New Thermostat this year

# Gulf Power's GoodCents® Select Program



## Customer Benefits

- Lower kWh price 87% of the time as compared to standard rate.
- Bill Savings up to 15% annually.
- Greater control over energy bill.
- Gives customers a choice.

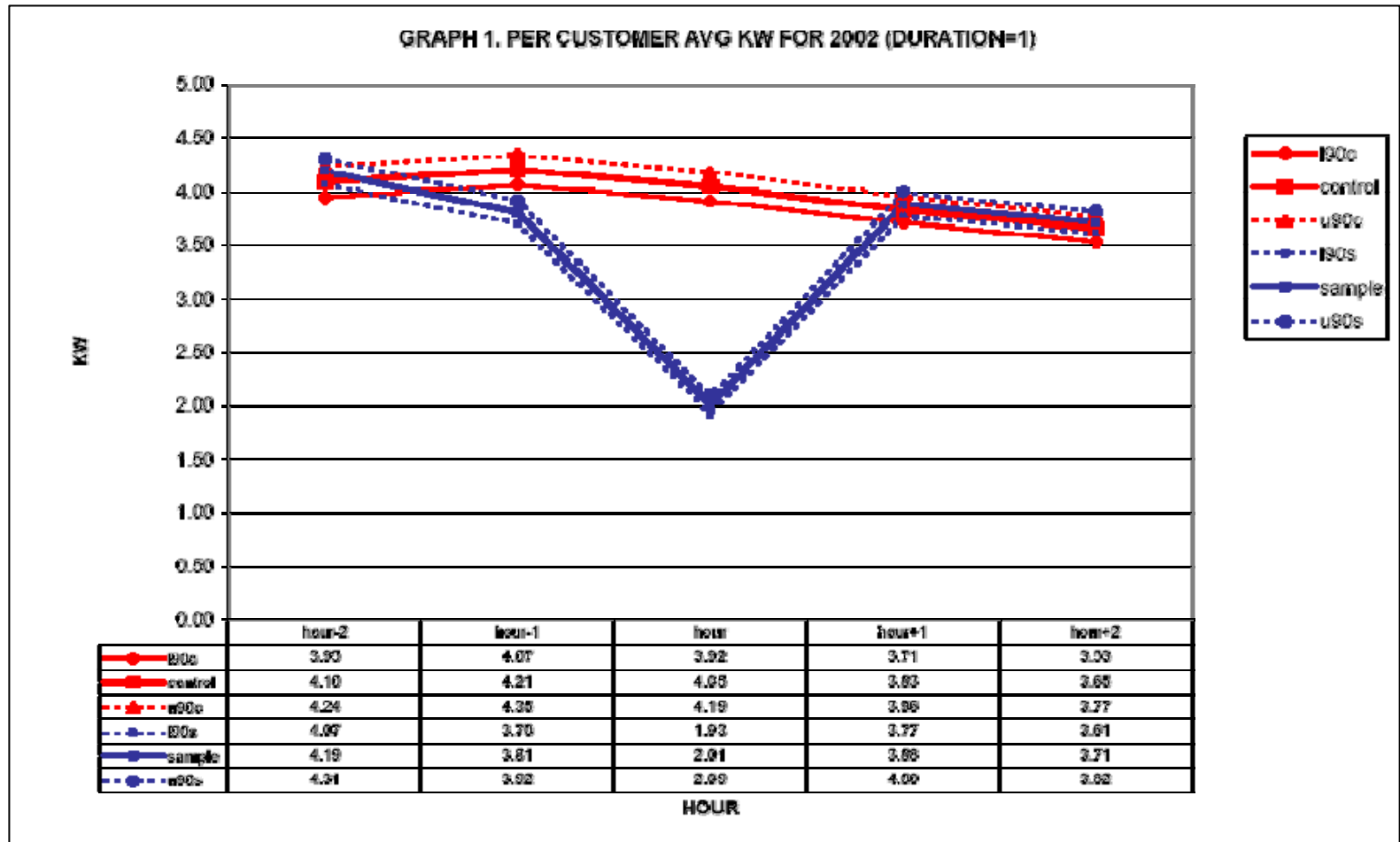
# Gulf Power's GoodCents® Select Program



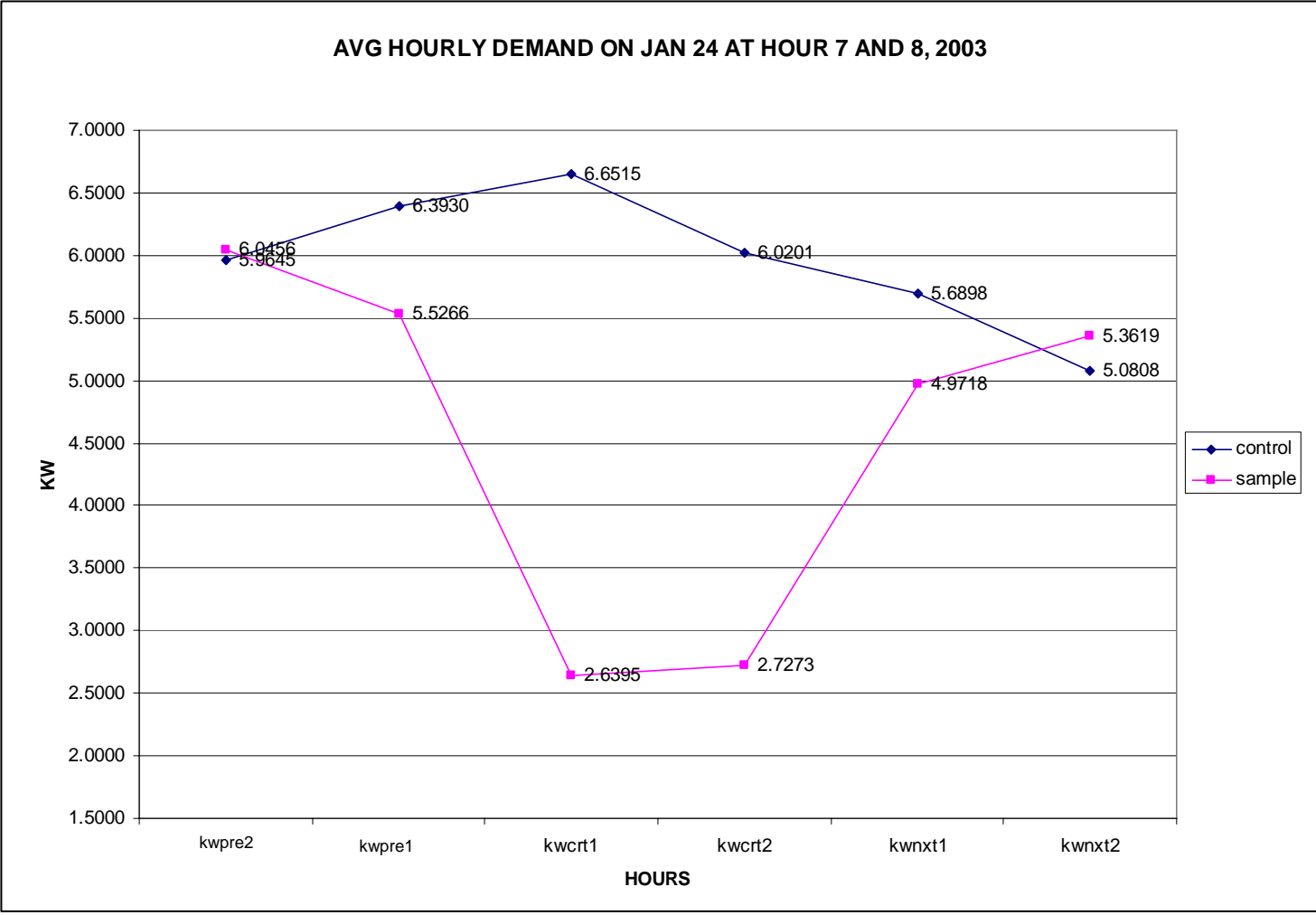
## Company Benefits

- Improved customer satisfaction
- Operational benefits
- Improved credibility
- AMR
- Substantial peak demand reduction

# Peak Demand Reduction



# Peak Demand Reduction



# Peak Demand Reduction

- Bottom Line

Average about 2KW per GoodCents®  
Select customer peak demand reduction in response to “critical” price. This amount represents about 40% to 50% of these customers’ load at that time