



## **New Case Study on Choice in Pricing Released by the Association for Demand Response & Smart Grid**

(Washington, DC – June 19, 2012) In conjunction with its upcoming **National Town Meeting on Demand Response and Smart Grid**, the Association for Demand Response & Smart Grid (ADS) released a new case study today that examines the impact on acceptance and adoption when customers are offered time-differentiated and other types of pricing options. The case study is based on interviews with employees of the Phoenix-based municipal utility, Salt River Project (SRP), and Arizona Community Action, a local consumer advocate. The narrative case study is the second in the ADS series (after its widely acclaimed study of the PEPCO PowerCentsDC program), that goes behind the scenes to examine the goals, reasoning, and processes used to design and evaluate program offerings and tools.

The National Action Plan on Demand Response (NAP), published by the Federal Energy Regulatory Commission (FERC) in June 2010, called for the development of case studies that would illustrate “lessons learned.” Funded by the Department of Energy’s Office of Electricity Delivery and Energy Reliability, the SRP’s pricing experience was chosen as the case study subject, because of the company’s acknowledged history of successful pricing programs, according to ADS Executive Director Dan Delurey. “SRP’s work was seen as something that would contribute to the discussion around the nation on issues such as the persistence of time-based pricing and whether consumers react favorably to having more pricing options,” said Delurey.

“ADS’ previous case study on the PowerCentsDC pilot was well-received because it offered varied perspectives on the same experience and raised questions that other jurisdictions could consider,” explains author Judith Schwartz of To the Point. “We feel SRP provides a good model for interactive tools and policies that can be discussed and evaluated in other regions considering pricing programs and looking to extract additional value from their smart meter deployments.”

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According to Salt River Project (SRP), the following are among the lessons learned in their efforts:

1. Make programs voluntary. Make the process easy and pleasant— nothing onerous—and let customers out of the programs if they change their minds at any point.
2. Offer pricing programs that help people develop new daily habits and routines that fit their schedules, and that can be communicated visually.
3. Offer prepay to everyone, not just customers with credit issues. Students, seasonal residents, and people who are paid on a weekly basis see definite cash flow benefits. Do not apply service charges per payment, regardless of the frequency or amount of payments.
4. Help people choose the programs that are right for them by asking simple questions that reflect their living situations and concerns. A combination of interactive tools for preliminary research, secure account-specific rate comparisons, and support from customer service will allow customers to determine the "best rate" for their residence and allow the utility to achieve broad adoption and persistent participation.

Looking forward, the study suggests that smart meters will allow the utility to build on an existing platform of trust and customer satisfaction, introduce new pricing programs that can appeal to more customers, and allow consumers to potentially achieve greater cost savings.

Delurey said the case study will be presented and discussed at the upcoming **National Town Meeting on Demand Response and Smart Grid** (June 26-28, 2012) to be held at the Ronald Reagan Building and International Trade Center in Washington, DC ([www.demandresponsetownmeeting.com](http://www.demandresponsetownmeeting.com)). It can also be found on the ADS website at [www.demandresponsesmartgrid.org](http://www.demandresponsesmartgrid.org).

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## **About the Association for Demand Response & Smart Grid**

The Association for Demand Response & Smart Grid (ADS) is a nonprofit organization, originally formed in 2004 as the Demand Response Coordinating Committee (DRCC). ADS is a 501 (c) 3 nonprofit organization consisting of professionals and organizations involved in demand response and smart grid. It provides services to help its members in the conduct of their work and in the attainment of their personal, corporate and governmental objectives. ADS seeks to establish and grow a demand response “community” of policymakers, utilities, system operators, technology companies, consumers, and other stakeholders.

Group Members of ADS are Ameren, American Public Power Association (APPA), Arizona Public Service (APS), ComEd, Con Edison, Conservation Services Group (CSG), ENBALA, Exelon, Freeman, Sullivan & Co, ISO New England, Joule Assets, MISO, National Grid, Navigant Energy Practice, National Rural Electric Cooperative Association (NRECA), NYSERDA, Opower, Pacific Gas & Electric (PG&E), PECO, PJM Interconnection, Progress Energy, Reliant, Salt River Project (SRP), San Diego Gas & Electric (SDG&E), Southern California Edison (SCE), Southern Company, and Tennessee Valley Authority TVA).

More information on ADS can be found at: [www.demandresponsesmartgrid.org](http://www.demandresponsesmartgrid.org)

## **About To the Point**

Judith Schwartz is an entrepreneur, marketing strategist, and communications professional on the forefront of sustainability issues, the Smart Grid, alternative energy, and the digital home. Her Silicon Valley- based firm, To the Point, designs human-centered strategies, conducts research and meta- analysis, creates narratives and messaging, facilitates cross-stakeholder conversations, and develops communications and outreach prototypes.

### **CONTACT:**

Dan Delurey  
Association for Demand Response & Smart Grid  
(202) 441-1420

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1301 Connecticut Ave, NW Suite 350  
Washington, DC 20036  
[www.demandresponsesmartgrid.org](http://www.demandresponsesmartgrid.org)