

**FOR IMMEDIATE RELEASE****August 31, 2001****Contact:** Chris King
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ckingaei@yahoo.com**AMERICAN ENERGY INSTITUTE CALLS ON STATE REGULATORY
COMMISSIONS TO ADOPT REAL-TIME PRICING
Compendium of Results of Pilot Programs Demonstrates Widespread
Effectiveness and Support by Customers**

BERKELEY, California. The American Energy Institute, a non-profit research organization focused on energy technology and energy efficiency, today issued research results demonstrating widespread acceptance and effectiveness of time-based pricing of electricity, including the potential for saving over \$1 billion per year in California alone. The Institute also called for state regulatory commissions to adopt real-time pricing and other time-based rates to empower customers to reduce their energy bills and to fight the market power of wholesale electricity sellers.

“We agree with President Bush, the National Governor’s Association, and others that time-based prices are critical to the future success of our electricity supply. Allowing consumers to say no to high on-peak energy prices by cutting or shifting usage during weekday afternoons is much less expensive and far less environmentally harmful than building so-called peaker power plants,” said Chris King, Executive Director of the Institute.

The Institute performed the research to document numerous relevant pilot programs. These efforts, costing tens of millions of dollars in the aggregate and going back as long as 20 years, have shown consistent support by customers for time-based rates. “Customers prefer voluntary time-based pricing, and the studies have shown that volunteers actually shift more energy use than do customers forced to be on such rates,” said Mr. King.

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The research results found that time-based pricing could result in very substantial savings. One study, by the Electric Power Research Institute, estimated consumer benefits in California would range from approximately \$400 million per year to nearly \$1.2 billion per year. Mr. King said, “Many customers on Pacific Gas & Electric’s residential time-of-use program have saved over \$1,000 on electric bills over the past several years. This means doing laundry in the morning, washing dishes in the evening, and taking care to minimize appliance usage in the afternoon, but without crimping family lifestyles. These customers are not energy poor, they’re just energy smart!”

The Institute’s report, “Compendium of Real-Time Pricing and Time-of-Use Studies, Reports, and Commentary,” is a resource for state commissioners, policymakers, and utility planners. By learning from the wealth of information already developed on time-based pricing, regulators can adopt new programs more quickly and make them better. The compendium includes a variety of sources, including academic research, utility analyses included in regulatory filings, and press accounts. The report is available at the Institute’s website: www.AmericanEnergyInstitute.org.

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The American Energy Institute is a non-partisan, non-profit public interest organization dedicated to performing research and educating consumers and policymakers about energy efficiency technologies. Our advisory board members include Dr. Frank Wolak, Professor of Economics at Stanford University and Chairman of the Market Surveillance Committee of the California Independent System Operator; Paul Gromer, President of the Peregrine Group and former Energy Commissioner of the Commonwealth of Massachusetts; and Chris King, Chief Strategy Officer of eMeter Corporation. AEI’s advisory board members have been active in regulatory proceedings regarding rate design and metering issues for several years in California and many other states and have testified before many policymaking bodies, including the California Public Utilities Commission, the Texas Legislature, and the Commerce Committee of the U.S. House of Representatives.

