



Energy Productivity Success Stories

Gulf Power's "Energy Select" Program Places Energy Efficiency in Consumers' Hands

SUMMARY

As early as 1989, Gulf Power began to develop, with the help of the Florida Public Service Commission, an effective demand-side management program that encourages customer participation without sacrificing load control and verification of the grid. After years of development, Gulf Power officially launched Energy Select in 2000 as part of its broader EarthCents program and quickly gained attention as the first utility to provide a fully automated critical peak pricing program in the United States.

COMPANY/ORGANIZATION BACKGROUND

Gulf Power, a subsidiary of Southern Company, is an investor-owned electric utility that serves more than 435,000 residential customers in northwest Florida.

CHALLENGES

As is the case for many investor-owned utilities, electric utilities are often mandated by local, state, and federal regulators to increase efficiency and sustainability measures while continuing to meet ever-increasing demand for power. Demand-side management programs, in the form of a reliably controlled demand reduction during critical-peak periods, have become a popular tool to meet these demands. However, the challenge for utilities with this type of demand-side management program is to obtain the amount of load control and verification they require while sufficiently incentivizing customers to participate.

SOLUTION

Energy Select is a demand-side management program that employs price-responsive programmable thermostats and timers for water heater and pool pumps. And, it uses a "residential service variable pricing" rate that features four different prices based on the time of day, the day of week, and the season that reflect the actual cost of producing electricity during those periods. With this program, Gulf Power found a way to combine dynamic pricing with a consumer-controlled management system to incentivize behavioral change in customers that avoids using excess electricity based on daily schedules, comfort levels, or market patterns—effectively reducing peak load levels and enabling reliable electric service.

RESULTS & BENEFITS

On average, the program helps over 15,000 customers save up to 15 percent annually on electricity purchases. The benefits of Energy Select have also translated to a boost in overall customer satisfaction with the electric utility service itself, resulting in customer satisfaction rates as high as 95 percent and allowing program participants to take advantage of lower electricity prices 87 percent of the time.