

Power Smart Pricing Update

August 2008

Summer with Power Smart Pricing

Summer is an eventful time for the Power Smart Pricing program. Hourly electricity prices can vary greatly over the course of a summer day so being smart about how and when you use electricity can make a big difference in your costs. This May, CNT Energy held workshops to help prepare Power Smart Pricing participants for the summer season. Participants learned about typical price patterns and strategies for saving energy and money. Participants also shared their own ideas for managing electricity use and costs.

More than 200 people from across the state joined us for the summer energy workshops, which took place in Urbana, Champaign, Bloomington, Decatur, Peoria, Carbondale, Galesburg and Belleville. The CNT Energy staff members enjoyed meeting Power Smart Pricing participants and learning about your experiences with the program. We've also received input from participants who didn't attend a workshop, but got in touch by e-mail or phone. We wanted to share a few stories about what participants like you are doing to make the most of hourly pricing.

We know that some Power Smart Pricing participants worry when summer arrives. While it's true that prices are higher during the summer, savings with hourly pricing are seasonal. Most people save during winter, spring, and fall, and these savings usually make up for the summer months when it can be more difficult to save. Still, we are happy to report that many participants are doing quite well at managing their summer electricity costs. And we like the attitude of Kristy B., who e-mailed us earlier this summer to say, "I'm looking forward to the fun challenges of summer pricing to see if we can improve our savings this year!"

We also heard from the Dunn family, who achieved big reductions in their bills by paying attention to products that use "phantom" or "standby power." This refers to electricity that is used when an appliance is turned off, but is still drawing power. The Dunns used the Federal Energy Management Program's online Standby Power Database (http://oahu.lbl.gov/cgi-bin/search_data.pl) to find how much standby power various appliances and electronics use. They used this information to reduce their phantom load.

Another household figured out how to use hourly electricity pricing to beat high gasoline costs. The Childress family e-mailed us to say that Power Smart Pricing, "made it possible for me to go 300 miles for less-than \$1 in electricity costs by charging [our vehicle] at night when it's one to three cents per kWh!" Their vehicle is a Twike, an electric/pedal-power hybrid vehicle. For more information, see <http://web.mac.com/mattchildress/Twike/>.

Thank you to everyone who attended a workshop and to those of you who have gotten in touch to share your Power Smart Pricing experiences and ideas. Your input and involvement help to make the program a success.

Checking Prices Made Easier

How often do you check hourly electricity prices? As you know, there are currently two ways to check prices. You can see prices on Ameren's website (click the "hourly electricity prices" link at www.powersmartpricing.org) or by phone at 1-(877) 655-6028.

CNT Energy is now testing three additional web-based tools that provide hourly prices simply and quickly, including a widget that displays on your internet homepage.

Go to www.powersmartpricing.org and visit our new blog to learn more and to test the new online tools. We look forward to hearing how you like them. If you are a programmer or web developer who would like to help us develop these or other tools, we'd love to hear from you.

Stay in Touch!

We're always happy to hear from Power Smart Pricing Participants!

If you have questions, suggestions, or stories to share, contact CNT Energy at info@powersmartpricing.org or 1-877-655-6028.



Understanding the RTP Supplier Charge

During the hot summer months, specifically July and August, the RTP Supplier Charge may be a substantial charge on your Power Smart Pricing electric bill. Fortunately, you can minimize both the RTP Supplier Charge and the Energy Charge portions of your bill by using electricity wisely during hours when demand is high. Your high price alerts make this easy by letting you know in advance when it's a good time to take action to conserve energy.

What is the RTP Supplier Charge?

Customers on the standard fixed rate (BGS-1) pay a single **Energy Supply Charge** that covers both the cost of electricity and other costs associated with providing that power. For Power Smart Pricing customers, these costs are listed on your bill as two separate line items:

- The **Energy Charge** covers the cost of the electricity you used during the billing period.
- The **RTP Supplier Charge** covers services associated with supplying that power.

Costs for both of these line items tend to be highest during the summer months because this is the season when demand for electricity is greatest.

How will the RTP Supplier Charge Impact My Bills?

For the month of June 2008, the RTP Supplier Charge rate increased to 5.3 cents per kW-day, reflecting the slightly higher cost of capacity. In July it increased to 24.2 cents per kW-day and is expected to be in the same range for August. In September it is expected to return to the 5 cent per kW-day level and then decline to the non-summer range of one to three cents for October through December. This means that for the months of July and August, the RTP Supplier Charge may be a substantial charge on your electric bill, but it is expected to go down again in the fall.

How Can I Reduce the RTP Supplier Charge Portion of My Bill?

Your individual RTP Supplier Charge is based on both market rates and on your individual electricity use during the highest demand hour of the billing period. Demand for electricity usually peaks on weekdays between 2 p.m. and 5 p.m. on days when the weather is hot. To keep your RTP Supplier Charge as low as possible during the summer, you should reduce your electricity use (especially air conditioning use) on hot weekday afternoons.

Your high price alerts will let you know in advance when electricity prices and demand are expected to be high. You can use these alerts to manage both the RTP Supplier Charge and the Energy Charge portions of your bills this summer.



Hourly Customers Get Paid to Use Electricity!

Some real bargains in hourly energy prices were available during the recent July 4 holiday weekend. Prices were low all weekend, but the best part was that from 2 a.m. to 7 a.m. on Sunday July 6, hourly electricity prices were actually negative! So rather than paying for electricity, Power Smart Pricing customers received a credit on their account for the electricity they used during these hours.

Though not common, negative prices can occur under certain conditions, such as cool summer nights. This can occur because electricity cannot be stored easily and because many electricity generators take several hours to reach full generating capacity. Shutting down generators at night would mean they might not be fully functioning in time to satisfy demand for electricity during the following day—especially if temperatures are forecast to be high the next day. As a result, it sometimes makes economic sense for suppliers to pay customers to use excess electricity rather than shut down power generators. The resulting negative prices are a bonus only available to people who pay hourly, market-based electricity prices!

Negative Hourly Electricity Prices on July 6	
Time of Day	Price (¢ per kWh)
2 a.m. - 3 a.m.	-0.03 ¢
3 a.m. - 4 a.m.	-0.44 ¢
4 a.m. - 5 a.m.	-1.14 ¢
5 a.m. - 6 a.m.	-3.51 ¢
6 a.m. - 7 a.m.	-0.47 ¢