

Unitil Energy Systems, Inc.
Docket No. DE 18-035
Record Request

Received: April 11, 2018
Request No. RR 2
Exhibit No. 4

Date of Response: May 11, 2018
Witness: Robert S. Furino

Request:

Please provide to the Commission's Consumer division Director a copy of the company's communications plan to customers regarding the issue of the relationship between the price of energy and when it is consumed.

Response:

The communications plan has been provided to the Consumer Division. Comments and suggestions were given to the Company, a number of which have been incorporated into the plan. As part of this effort, the Company has had published, in the Union Leader and the Concord Monitor, an op-ed piece discussing the impact on prices as a result of electricity usage during peak periods. A copy of the op-ed is attached as Record Request 1-2 Attachment 1.

May 06. 2018 9:33PM

Another View -- Alec O'Meara: Saving energy on the hottest days could lower all of our bills throughout the year

Summer is coming. No, really. As cold as it has been seemingly forever, it finally warmed up last week.

I've checked the calendar taped to my basement door, and June, July, and August are all still in there just a couple pages away, right where they should be.

In utility speak, we call this time of year a "shoulder" period, meaning we are out of the extreme colds of winter but haven't yet hit the blistering heat of summertime.

We called it mud season when I was growing up, but there are lots of names for different things I've learned, and those names are usually dependent on one's point of view.

Electricity market analysts in New England, for instance, call the spring and fall seasons "a good time to buy electricity." This is because energy costs, or the cost of electricity itself, are typically low because our homes and businesses require less energy to heat or cool them. Prices spike on the coldest days of winter or the hottest days of summer, not a shoulder month like April, October, or May. On the spot market for electricity, a megawatt hour of electricity sells for something like \$20-40 on a tepid spring day. On a "peak load" day, the hottest day of the summertime when all we want to do is get inside, hide from the sun, and crank up that air conditioner, an identical megawatt of electricity can cost more than a thousand dollars on the spot market.

I know that price difference seems crazy, but it is true; the demand for electricity is that much higher in that moment. ISO-New England, a nonprofit organization that makes sure there's enough electricity out there to power the region on any given day, has a neat tool on its website, www.iso-ne.com/isoexpress, that shows what the price of electricity is at any given time.

In addition to paying for the electricity you use, you might not realize that you also pay for the capability to provide enough electricity to serve everyone on a peak load day. We pay for this capability every day, even in April, so we can keep cool on that one

steaming hot day. We also pay for the ability to move all that power around the region so it can get to the local power company for delivery to you and your neighbors. These costs are tied to usage at peak times. In fact, the entire energy infrastructure for the region is built around working to accommodate these special times when usage is the highest.

Now, if you're a true New Englander, this probably puts an idea in your head. What would happen, you may be thinking, if you could somehow avoid buying the very expensive electricity during those few hours that have such a profound impact? Would that potentially lower the cost of electricity for the rest of the year? This folks, along with how to facilitate such an outcome, is the question that keeps energy policy makers up at night because so much of our region's energy costs are tied to these periods where usage is the highest. The answer is that yes, every bit of avoiding peak-hour power consumption helps.

So, in the spirit of Yankee frugality, I have a suggestion to make. When the hottest days of the summer arrive, those days where it's been 90-plus for the whole week, consider, if you can, keeping the air conditioner a few degrees warmer than what you might normally. Leave the lights off. Use the outdoor grill instead of the stovetop. If enough of us take these steps, perhaps we can cut into those peak hours. Not only would we lower our cost for the month, but we could end up helping all of New England lower its energy costs for the rest of the year.

Summer is coming, I swear. This year, let's see if we can take control of our energy costs on the days where we can have the greatest impact. Your wallet, not to mention the environment as a whole, will thank you.

Alec O'Meara is media relations manager for Unitil.