



## Pre-AMI Roots

Since the 1970s, Gulf Power has established a proven track record with its customers of delivering innovative customer-focused energy conservation programs. In the late 1980s, Gulf Power initiated conversation with the Florida Public Service Commission (FPSC) about a then-radical approach to pricing electricity for residential customers. The premise was that offering a variable pricing rate in the residential market would result in peak load savings, better utilization of existing generation, and an improvement in customer satisfaction. In 1990, the FPSC gave its approval to Gulf Power to conduct a two-year pilot program that launched in September 1991. Gulf Power conducted extensive analysis on the impact of variable pricing on load shapes, energy usage, and consumer behavior. The bottom line was that the pilot did indeed prove the viability of variable pricing in the residential market — and consumers really liked it.

The Energy *Select* program, which grew out of this pilot, was rolled out prior to Gulf Power installing Advanced Metering Infrastructure (AMI). “Pulse generators” on the analog meters interfaced with a gateway device in participating consumers’ homes to enable consumers and Gulf Power to measure time-based electric use. Gulf Power now has AMI in place, and though the current equipment is technically very different than 20 years ago, conceptually the program is still the same. As David Eggart, Program Manager for Energy *Select*, says, “the meter doesn’t drive the program, customers drive the program.”

### Customers at the Core

One of the key goals for Gulf Power in developing the Energy *Select* program was to increase customer satisfaction. Energy *Select* was therefore designed to make things as simple for customers as possible. Not only does Gulf Power offer easy-to-use technology for participants in the program, they are very upfront with customers about Energy *Select* pricing and the conditions under which a critical event will be called.

The core belief of the Energy *Select* program is to not over-complicate participation — Gulf Power wants their customers to easily understand it and not feel that it is a burden. Gulf Power offers customers participating in Energy *Select* a programmable communicating thermostat (PCT) as well as load control relays — essentially timers — for their electric water heaters and pool pumps. Intelligence is built into the thermostat and relays to allow customers to pre-program them based on electricity prices, time of day, and how they want to respond to a critical price signal.



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Gulf Power also found that it was critical to have vendors that aligned with their customer-first mindset. For example, some vendors focused on technical specs for load-control relays rather than demonstrating the understanding that ultimately it's about hot water being available for consumers. Gulf Power's current vendor, Converge, understands that they have to share an appreciation of the customers' mindset, and has worked together with Gulf Power to overcome significant technological hurdles in making the program consumer-friendly.



### Control Trumps Savings

“Control and savings are timeless and they’re universal,” says Eggart. Gulf Power has found that the ability to save money is the primary reason people initially sign up for the Energy *Select* program. However, over time, customers indicate that control over their energy use is their primary benefit from the program while savings has fallen to a close second. Gulf Power believes that it's very important for customers to have the choice of how to respond to pricing signals, deciding, for example, to forgo participating in a critical event because they have a sick child at home.

Customers are notified of critical events the day of; the PCTs have a light that flashes an hour in advance of the critical peak pricing period and becomes solidly lit during the critical peak. Although Energy *Select* customers are more likely to be 35–55 years old, Gulf Power has found that many retirees are big advocates of the program because they find it a great way to save money.

### Energy *Select* Drives Additional Customer Benefits

Customers on the Energy *Select* program have access to a user-friendly web portal that provides information on their energy use along with the ability to remotely program their thermostat.

In addition to this direct customer benefit, Gulf Power has found that customers benefit from the program in other ways. For example, customer service reps are better able to assist customers who call about a high bill because they can review HVAC run-time and how the customer has programmed their thermostat, water heater, and pool pump. Additionally, Gulf Power's home energy auditors, called Residential Energy Consultants, often offer Energy *Select* to homeowners as a no-cost way to save money.



## Reaching Customers

Gulf Power primarily uses direct mail to raise customer awareness of the *Energy Select* program. They send out nearly 400,000 direct mail pieces annually, reaching nearly all of their 380,000 residential customers with a message on how *Energy Select* provides greater control and savings. Although Gulf Power has done some segmented marketing, they have found that the *Energy Select* program has a broad appeal, eliminating the need to specifically target any specific market segments.

On Gulf Power's website, customers can easily find details about the program, and have access to over 30 frequently asked questions. If customers have a question that isn't answered on the site, there's a prominent link to email an "energy expert" at Gulf Power who can provide answers.

Program Overview  
Environmental Impact  
How Do I Enroll?  
Customer Support  
**Q&A**  
Contact Info  
Selectricity Newsletter  
News & History

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Power customer

Commonly asked questions about  
**Energy Select**

Check this FAQ on Energy Select to answer any questions you may have from programming your thermostat to how much it costs for installation or if you'll have to change your lifestyle. This knowledgebase covers areas you might have a question about, and if it doesn't **just let us know** and we'll find the answer for you.

**Questions and Answers**

What are the **rates, terms and conditions** of the Energy Select rate?

**How much does it cost** to be an Energy Select customer?

How much is **installation** of the Energy Select equipment at my home?

When is the **high price** charged?

If I'm typically home during the high price period, am I a **good candidate** for Energy Select?

Do I have to **change my lifestyle** to be an Energy Select customer?

How can I **contact** Gulf Power after hours, holidays and weekends?

Can I **pre-cool** or **pre-heat** my home before a higher price period?

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## Documented savings

As of mid-2013, over 11,000 Gulf Power customers participate in *Energy Select*; Gulf Power anticipates this number to continue to grow steadily.

Gulf Power sees an average of 1.7–1.8 kW peak load demand reduction per household on summer peak and 2.5–3 kW peak load demand reduction per household on winter peak. Overall, Gulf Power has seen a 20 MW summer peak reduction from the program.

In addition to the peak savings, customers on the *Energy Select* program typically reduce their household energy use by 700–1000 kWh/year and see a 12–15% annual reduction in their electricity bill.