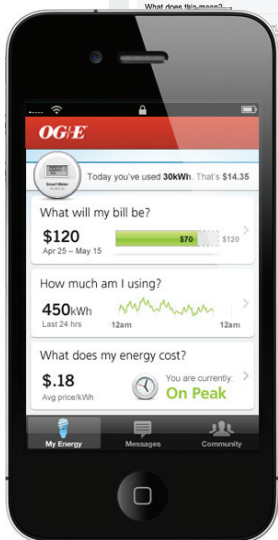




Oklahoma Gas & Electric Co.

OG&E



Summary

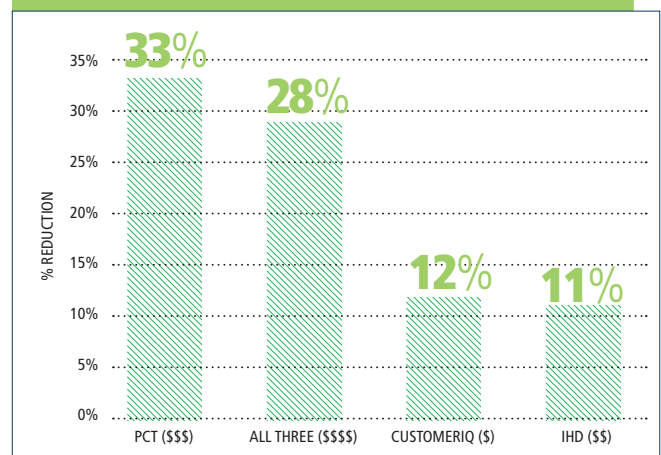
In 2007 OG&E launched its 2020 plan, a bold vision and business goal to create a partnership with its customers to delay the building of two additional peaker plants until at least 2020. The partnership is based on OG&E empowering its customers with tools to manage their electricity usage and OG&E realizing operational efficiencies due to increased visibility into how and when energy is being used.

OG&E branded its customer partnership program, *Positive Energy Together*[®], and educated its employees and customers through an extensive multi-channel marketing campaign that included an extensive TV and radio media campaign, a branded website and community outreach. In a survey of customers in late 2010, 88% believed OGE was trying to help them use energy more efficiently.

The interim results from OG&E's initial demand response study in the summer of 2010 have been very positive. When educated and empowered, OG&E customers demonstrated that they can partner with OG&E to meet their 2020 Plan. Key findings include: reduction is directly correlated to price, comprehensive employee and customer education plan is critical to smooth deployment and a web portal is the most cost effective customer tool.

OG&E is expanding its demand response study to 6,000 customers in 2011 and at the urging of the Oklahoma Corporation Commission is deploying a customer web portal to all 775,000 of its customers as they receive smart meters, delivering an immediate benefit--visibility into their energy use.

Peak Demand Reduction by Technology Type



Averages for highest priced days on Variable Peak Pricing (VPP) rate

Smart Study TOGETHER™

The main objective of OG&E's demand response program, **Smart Study TOGETHER™**, is to assess the impact of various types of enabling technology combined with different dynamic pricing rates on a customer's energy consumption. OGE adhered to the following guiding principles throughout the planning, design, implementation, and evaluation of **Smart Study TOGETHER**.

- » Demand Response (DR) results will be obtained through customer empowerment.
- » OG&E will not utilize any direct control of customer equipment or appliances.
- » Customers will be provided time-differentiated pricing and be allowed to choose their balance of cost versus comfort.
- » Pricing (rates) will reflect true market costs, minimizing subsidies within or across customer rate classes.
- » A control group will be utilized to eliminate the impact of weather, economic conditions, fuel prices, and other non-controllable variables.
- » The sample will reflect the demographic makeup of OG&E's customer population.

Phase 1 of the study during the summer of 2010 included approximately 3,000 customers in Norman, OK who volunteered to participate. Residential customers were assigned one of two rate options for this study. Based on their random assignment, participants received either a Variable Peak Pricing rate with a Critical Price option (VPP-CP) or a Time-of-Use rate with a Critical Price option (TOU-CP). Customers randomly assigned to the control group were left on their existing standard rates. OG&E tested four technology options, including a web portal, an in-home display (IHD), a programmable communicating thermostat (PCT), and a combination of all three. The interim results are as follows:

- » Customers with a smart thermostat achieved a maximum demand reduction of 57 percent during the peak period when compared to a control group.
- » The amount of electricity used by participants on OG&E's variable peak price plan was highly influenced by price. The average energy reduction during peak periods on the highest price days ranged from 11 percent to 33 percent, depending on smart technology.
- » **98% of customers saved money over what they would have paid for electricity used if on the standard rate plan**

What's Next

Silver Spring is leading OG&E's implementation of a fully integrated demand response solution this summer to an additional 3,000 residential and business customers (bringing the study participants to 6,000) in the Oklahoma City metropolitan area. Silver Spring is helping to select, deploy and operate the Home Area Networking devices. By 2012, OG&E anticipates enrolling as many as 50,000 customers to achieve 70MW of peak reduction. The thermostats and in-home displays allow study participants to see their peak prices in real time. The CustomerIQ™ portal, deployed as myOGEpower.com for OG&E customers, offers DR-specific features, such as energy use and costs updated hourly, to study participants to drive reduction in peak demand. OG&E also will use the Silver Spring UtilityIQ™ Demand Response Manager back-office software to manage the programs beginning in the 2Q of 2011.

Lessons Learned

Active consumer participation in energy use is dependent on customer understanding of their energy use and costs. This information is most tangibly delivered via OG&E's energy web portal, and is critical to realizing the benefits of the smart grid. Delivering customers a timely view of their power and use empowers them make more informed decisions about how to use their electricity more efficiently. OG&E gains much greater visibility into how and when electricity is being used by its customers, enabling them to improve customer service and increase its operational and energy efficiencies. OG&E's partnership with its customers and innovative smart grid programs are truly transforming the utility industry, today.



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