



Energy Management Program FAQ

What is the Energy Management Program?

The Energy Management Program is an innovative program that puts technology to work to save money on power costs. Special devices, called DRU switches, are used to turn off the elements of water heaters or to cycle air conditioners or heat pumps on and off. This only occurs on the hottest days of summer and coldest days of winter so it reduces demand for power at peak times.

By reducing use at peak times slows the need to build new power plants, and new power plants are very expensive. It also reduces the need to use natural gas-fired power plants, and power from these plants cost more than our supplier's coal-fired plants. Finally, it reduces the need to purchase power from others, which again is more expensive. So, in summary, the program reduces costs by using less of the most expensive power.

What is the goal of the Energy Management Program?

By reducing electricity use on the hottest days of summer and the coldest days of winter, we can reduce wholesale power costs. More than 70% of REMC's expenses are for wholesale power, so controlling power costs can have a big impact on our rates.

How will this cost reduction impact REMC?

The rates that REMC pays are higher in the summer and winter, especially during the hottest and coldest times. So, when we reduce usage during these times, we save on both current and future costs, as mentioned above. Over time, this will mean a lower average cost of power. Rates probably will not drop, but any increases will be moderated.

What will be the benefit to REMC members?

Participants as well as other members will each see benefits. First, all members will benefit from the slowing of rate increases over time. Those who choose to participate and have one or more switches installed will receive up to \$18 per year in incentives for each appliance under control. So, if you have your central air or heat pump and water heater both in the program, you would get a total of \$36 per year in incentives.

Does it cost to participate?

There is no cost to participate in this program and installation of the DRU switch is free.

Will I see a decline in energy use on my power bill if I participate?

You will not see a measurable reduction in your electrical usage. You will still be using energy however it will be transferred to a different time. Our target is to get thousands of members to install the switches. Then, we believe we will see an impact in a lower cost of wholesale power that will be passed on to our members.

How do you operate the switches?

Our power supplier, Hoosier Energy, will make decisions based on weather and electric use as to when to operate the switches. Hoosier will send a signal through the internet to our office, and our computers here relay the signal through our TWACS automated meter reading system. The signal then travels over our power lines and the wiring in your home. The signal turns off the water heater elements, or in the case of a heat pump or AC unit, it turns it off for about a total of 30 minutes every hour.

How often do you operate these switches?

The water heaters may be turned off during June through August or December through February. Controlling periods can happen 4-5 times during any of these months. In the summer, they would be off late afternoon through early evening on very hot days. In the winter, the water heaters might be off in the early morning and again in late afternoon through early evening.

Air conditioners and heat pumps would be cycled during the same summer months as the water heater. Heat pumps will not be turned off in the winter!

Will I run out of hot water? Or feel uncomfortable if the air is cycled off?

Programs like these have been very successful for other cooperatives, so their experience tells us that their members have few comfort or convenience issues.

You should have plenty of hot water in your tank to handle showers, dishes and other household tasks. We ask our members a few questions at sign up to make sure there are not too many members of the household for the tank size. The water heater is like a storage device, so you still have a reserve of hot water. If you already run out of hot water, we suggest you have a plumber check to see if one of your elements is faulty.

The air conditioner or heat pump will continue to operate half the time each hour, while the circulation fan continues to run. This means there could be a slow rise of two or three degrees during the time the AC is cycled on and off. Many people do not notice any change.

What if I do not like the program?

If you become dissatisfied with the program, we will remove the switch at no charge. Again, problems with lack of hot water or uncomfortable temperatures are rare. The switch is just an "on" and "off" device and will not damage your appliance and does not cause power surges.

I rent my home. Can I participate?

Renters can participate, but they do need the home or apartment owner's permission.

How will I get the incentives?

The incentives will show up as credits on your bill during the months that we operate the switches. If you connect an AC unit or heat pump, you will get \$6 each month, June through August. If your water heater is hooked up, you would get \$3 each month for June through August and December through February.

How do I participate in the program?

Complete an Energy Management form online or contact REMC at 529-1212. Please ask any questions you might have. A contractor will call to make an appointment.