

KIUC's Reports on Time-of-Use Pilot Results

*Līhu'e, Kaua'i, HI – 05/26/2017* – KIUC has compiled the results of a 12-month pilot study designed to test whether customers would shift their electricity usage to take advantage of lower energy pricing during non-peak hours. The time-of-use (TOU) pilot results indicate that saving money was not a significant motivator in shifting load from peak evening hours to daytime hours.

Approximately 350 KIUC members participated in the TOU pilot, which ran from February 2016 through February 2017. Participants were offered a 25 percent discount on their energy rates during the hours of 9:00 a.m. to 3:00 p.m. “We have excess renewable generation during daylight hours when our solar facilities are producing at their highest level,” explained KIUC’s President and Chief Executive Officer, David Bissell. “Shifting load from our peak evening hours to the daytime allows us to use less diesel-fired generation, which potentially saves money based on the price of oil.”

Results from the study indicate that the average impact of the favorable daytime rates was approximately 0.06 kilowatts per participant. An aggregate total of 21 kilowatts was shifted per day for the entire group of 350 participants. Extrapolating these results to the entire utility customer base, KIUC estimates that the shift would be on the order of 1.5 megawatts, which is about two percent of Kaua'i's peak usage.

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“While the results didn’t demonstrate a significant shift in usage, the study is valuable in that it demonstrates that a 25 percent discount may not be enough to change behavior when it comes to energy use,” stated Bissell. He added that the current differential in the cost of generation between daytime and nighttime hours is negligible, and that imposing a significantly higher cost to members for evening usage could be punitive for members who cannot shift their usage to daytime, while returning minimal savings in energy costs.

“One of our Board’s strategic goals is to maintain a pricing structure that is fair to all members,” said Bissell. “As we consider rates in the future, the data gleaned from this study will help to determine whether time-of-use rates would be beneficial to the cooperative and our members.”

The full TOU study report, which was filed with the Public Utilities Commission today, can be viewed on the KIUC website: <http://website.kiuc.coop/content/news-releases>.

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