



Demand Response Home Automation

PLMA Spring Conference

Las Vegas April 13, 2011

PEAK LOAD
MANAGEMENT
ALLIANCE



Overlapping HAN & DR Interests



Predictable
Cost

Comfort vs.
Convenience

**Utility/
Reseller**

Predictable
Return

Legislative
&
Regulatory
Priorities

Customer

Government



Utility & Re-Seller Interests in HAN

- **The Highest Priority - A Business Case**
 - Minimize Rate Increase
 - Will it lower Spinning Reserve by removing Peaks?
 - Does it lower the basic usage
 - Avoid stranded investment
 - Satisfy the Legislative – Regulatory requirements
- **Other Priority**
 - Plan for Electrification of Vehicles
 - Adapt to local electricity generation



Government Interests in HAN

Energy Independence

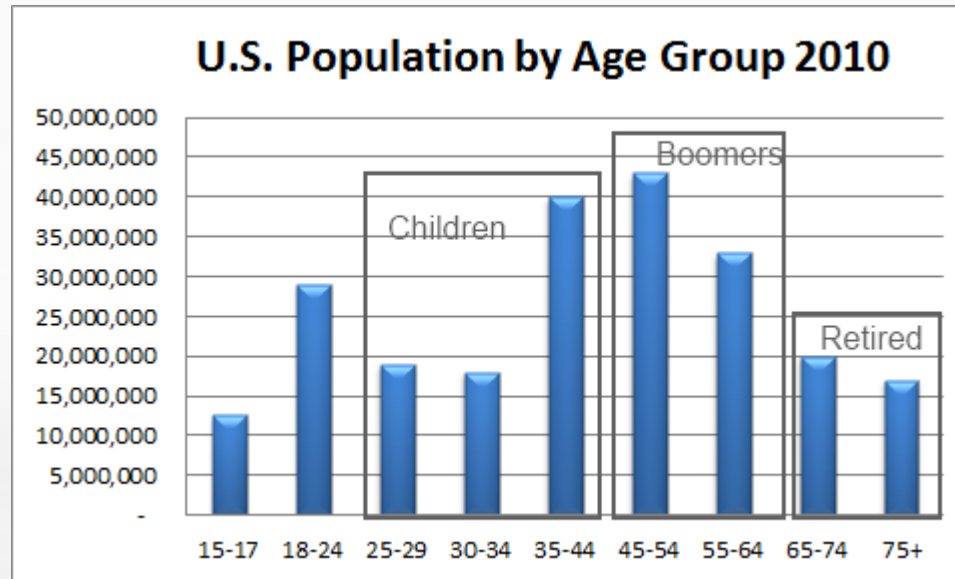
- First big oil crisis ('73 Arab & '79 Iranian) 80% dependency
- Second (1990 Iraq>Kuwait) 60% dependency
- 2011 (Libya)< 50% dependency (9.3 bbl/day of total 18.7 bbl/day). 25% from unstable sources (4.7 bbl/day)
- Transportation Sector uses 70% of all oil (13.1 bbl/day) therefor 36% EV conversion of U.S. Fleet eliminates the risky oil completely
- Best Bet? Medium duty trucks used in business – makes sense with little or no subsidy



Consumer Segments by Housing



Segments Dominating Housing Today



Families

Boomers

Retired

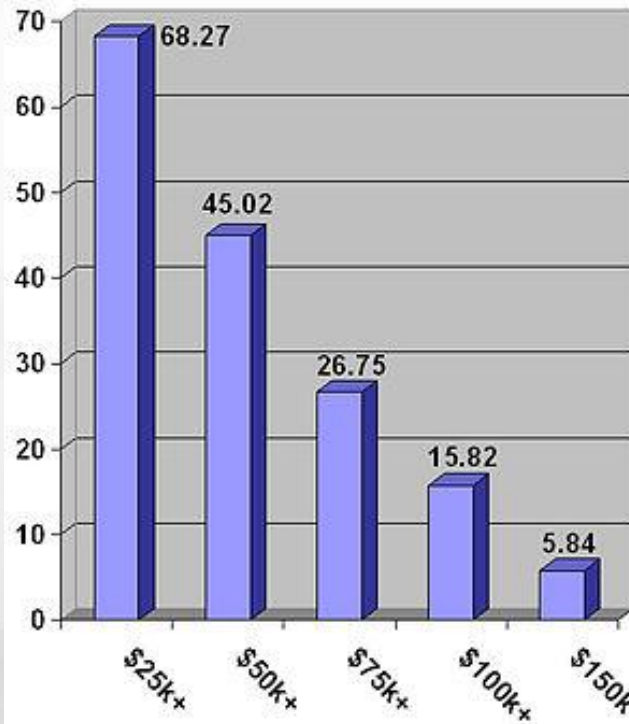


The ages from 24 to 42 are the prime ages for parenthood. Baby boomers are now between the ages of 45 and 63 and many will no longer have children living at home.



17% Challenged to Pay Bills

- 17.8% of U.S. Households > \$118,200
- Median Income is \$46,326
- 31.73% < \$25,000



On average 17% of U.S. Households are Challenged to pay their bills

Unexpectedly higher bills can sink these households



“Standard Offers” are emerging:

1. If the customer signs up for a DR Program and/or a Long-Term Retail Contract: *Incentive is a HAN Package with load shedding and upgrades*
2. If the customer is financially challenged: *Offered a basic “Cost Saver” system*
3. Otherwise: *Redeemable Coupons*

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