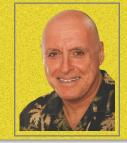
THE EXTRA POINT

BY JERRY ROBERTS



1566 How Would You Like to Pay Nothing For Power?

In an election year, one of the easiest decisions a politician can possible make is to vote for a bill that extends a hundred bucks a month to every customer of the Guam Power Authority. "Mrs. Speaker, I proudly stand up for the people of Guam in their hour of need." You get the idea. You don't need an advanced degree to understand that this makes very good political sense to do this. Now, what if we could do even better than that? I'm Jerry Roberts, and today I'm going to report on a story that has to do with a unique approach to the power selling business, the Brits, the free state of Texas, and I'll even toss in an Al Gore mention. All of that is next, on The Extra Point.

Getting a \$100 credit every month against your GPA bill is fine. Nobody will turn it down, but could we do better.

What if people could save even more every month, just by giving the electricity provider a little more power over how — and when — you use electricity?

You're not sure you want to grant the power authority any authority over how you choose to energize your life? Would it make any difference if I said that, in certain circumstances, the power company would pay you *not* to use electricity?

Let's get to details. A British company named Octopus Energy is operating very different than most power sellers you may ever have done business with.

First, let's toss some numbers around. Octopus generated over \$16 billion in sales last year. The company counts among its early investors a firm led by one Al Gore, who plugged \$600 million into Octopus several years ago. Gore's Generation Investment Management is a \$36 billion sustainable investment fund,

What is Octopus after, besides eventual world domination? Cofounder and CEO Greg Jackson has said that that at the center of the future power grid will be a new relationship, one he

refers to as "incentivized nudging." Here's what he means.

Octopus enrolled 1.4 million customers into a program that sends them a message three hours before an expected peak in power demand, urging them to cut back on their power use. If they do, they earn three times their average power price for the electricity they didn't use.

Does it work? Last year, Octopus paid customers \$10 million to prevent the UK grid from having to burn up \$200 million of coal and diesel fuel. Pay \$10 million to save \$200 million? That's a 20X return on your money.

The technology is no doubt complex, but the Octopus markets the program is simple and direct — with 8 million people signed up. The company is the largest power provider in the UK, and the second biggest in Europe. Now, they're targeting US markets.

They want to establish a big footprint in Texas, and the pitch is garnering attention for them. In electric industry language, they are focusing on what is terms "demand response." What it means is that the customer agrees in advance to ramp down power usage at times of peak usage. The nature of the agreement is the key here. Customers allow Octopus to remotely control their appliances. Would you grant GPA that authority?

What if you got free power as a result? The deal that Octopus is pushing in Texas promises that customers will pay nothing for electricity, as long as the company has control over how power is used. Yes, nothing, nada, zippo. How is that possible?

I'm not speaking as an expert in power issues, but I wouldn't blame you if you wondered how close GPA might be to developing the means of implementing something similar.

(Con't.)





We know they can read meters remotely, as well as turn power on and off without sending any workers into the field. What would be required to give them control over our electrical devices?

Think of this, we might finally be able to send the term "load shedding" into the history books.

Perhaps this is nothing short of fantasy for us in Guam. Maybe GPA would dismiss the idea as impossible for them to replicate.

All I know is that it's happening right now in Texas and if successful there, it will spread to other states.

Even if this concept isn't in our future, does it give us food for thought in how to one day get off the treadmill of higher and higher power costs?

That's the Extra Point. Be responsible and make something good happen today. For 93.3FM, the Ray Gibson Show, and First Hawaiian Bank, I'm Jerry Roberts.

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