### Saving Electricity in a Hurry– Global Experience Using Energy Efficiency To Mitigate Supply-Demand Gaps

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# A Special Kind of Crisis

- A <u>temporary</u> shortfall in electricity supplies
  - Usually days to months
  - Typically caused by a *combination* of technical and social problems
- Not enough time to bring replacement equipment or finish repairs
- The grid is intact, so delivery of power to customers is not a problem
  - Chronic electricity shortages and rapid long-term growth are related problems
- The goal is to avoid blackouts and allow near-normal economic activities

#### Technical Failures Take Time to Repair

#### **Replacement Transformer for Westwing**



This replacement transformer was moved 2000 km!

#### What Causes the Crisis?

Droughts, Malfunctions, Planning Failures, Market Manipulation, Floods, Regulatory Failures

- A drought in Brazil
- Flawed deregulation in California
- Tsunami in Japan
- Safety flaws in Japan
- Transformer explosion in Arizona
- Refinery explosion in Australia
- Avalanche in Alaska
- Cold waves in Sweden, Norway, Korea
- Heat wave in Europe, United States, France
- Unexpected increase in demand from economic development in South Africa, Korea

# Strategies to Balance the Grid

- 1. Rolling blackouts
- 2. Raise the price of electricity
- 3. Ration electricity
- 4. Reduce demand quickly through voluntary measures

Blackouts are the Worst Possible Strategy to Balance Supply & Demand

Some blackouts may be needed in the beginning if the crisis is unexpected but prolonged blackouts are bad because they:

- Have high costs to business
- Endanger health and safety
- Undermine public confidence and morale
- Lead to extra costs to economy

# Why Not Just Raise the Price of Electricity to Reduce Demand?

- The problem may be peak demand, not electricity consumption
- Technical obstacles to changing price
  - Impossible to quickly change billing procedures
  - No smart meters
  - How long will it take before consumers are aware of the higher prices?
- Political obstacles
  - People distrust politicians, utilities
  - Who should pay the higher prices?
  - Is there really a shortage?

# As a result , higher prices play a small role in most programs to quickly reduce electricity use.

## **Ration Electricity**

**Options include:** 

- 15% less than last year
- Consumers must use less than XXX kWh/month
- An alternative to raising electricity prices
- Different strategies for domestic, commercial and industrial customers

Rationing is difficult to implement and unfair to some groups, but it gives everybody a goal and spreads responsibility among all users

## Voluntary Measures to Conserve

Changes in behavior can happen very quickly (within hours) and lead to rapid reductions in demand. Steps to conserve:

- 1. Convince the public that a crisis exists
- 2. Explain to the public how their actions can help solve the problem and what actions to undertake
- 3. Provide incentives, feedback and encouragement
  - Effective programs are expensive



Advertisements from New Zealand using humor to communicate message

## **Voluntary Measures**

- Use mass media
  - Generation of electricity is a highly centralized activity but the <u>consumption</u> of electricity is highly dispersed and diffuse.
    Mass media is the only way to influence consumption quickly

- TV, newspapers, radio, websites

- Use **social** media to target special user groups
  - Facebook, social media, websites
- Make saving electricity fashionable (popular)
  - Use television stars, actors to deliver message
  - Use humor to encourage behavior change
  - Start contests, competitions
- Pay for savings with incentives, rewards, prizes

#### Never Waste a Crisis!

#### **Prepare to save electricity gradually**

- Improve electricity pricing and feedback
  - Adjust tariffs to reflect cost of supply
  - Install smart meters
  - Organize "Demand Response" for large customers
- Introduce new energy-efficient technologies
  - Minimum efficiency standards (MEPS) & accelerated appliance replacement
  - Fuel switching
- Encourage consumers to maintain their energysaving behaviors

#### Real-Time Display of Supply & Demand



#### End – Thank You

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extra slides follow ...

#### We Can't Confidently Answer These Questions

• How much can be saved?

-1 - 30%

- How long will the savings persist?
- What happens if there is a second crisis?

# **Examples Of Special Actions**

- Real-time display of electricity use (California)
- Re-scheduling baseball championship to an off-peak time (Japan)
- Funny advertisements to encourage conservation (New Zealand, California)
- Changes in clothing requirements (Japan and Chile)
- Symbolic actions (Japan, Brazil)
- Competitions between cities (Brazil)
- Shutdown of aluminum production (Norway, Brazil, NZ, USA)

## Also Available

- Videos from Norway, New Zealand, California
- Real-time displays of grid status from Japanese utilities, California, Korea, etc.
- Case studies:
  - Juneau's loss of transmission line
  - Arizona's loss of transformer, transmission lines
  - California
  - Scandinavia's 2003 drought and cold wave



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