PEPCO NEWS FOR MONTGOMERY COUNTY

Community focus

# Pepco Files Earth-Friendly Plan To Drive Down Future Energy Costs

## Dear Community Leader:

Imagine a hot August day in the near future. A humid, 95 degrees hot. It's the kind of day that drives electric bills through the roof. But not yours.

You have a "smart" meter and a "smart" thermostat. When these devices are used together, you can have Pepco cycle your air conditioner so it's not running constantly while you're away at work.

Your state-of-the-art meter also is linked to other home appliances – and if you wish – they can be cycled too. Not only do you control how you use energy, but you receive a credit on your electric bill for not using energy during times when electricity demand and prices are at their highest. So you save money.

On that same day, a severe summer storm occurs while you're at work. The power is out at your house, but you don't know it. But Pepco is aware of your outage because the "smart" meter allows us to detect power outages remotely.

Stop. You don't have to imagine anymore. These new technologies – and much more – are part of a comprehensive plan Pepco has filed with the Maryland Public Service Commission to meet future energy needs efficiently.

Once we receive Commission approval, Pepco will begin program implementation, which could be as early as this fall for some of the energy savings efforts. However, it's likely to take three to five years before all components of our plan are in place.

Customers have told us they want control over rising energy prices, improved reliability and a focus on environmental stewardship. Pepco is listening.

Our plan responds to your desires with tools to help you cut energy use and manage rising energy costs. And with less energy being used, there will be fewer power plant emissions to harm the environment.

Since the plan is a partnership between Pepco and our customers, we need your help. To obtain the full potential of proposed energy savings, everyone will need to take part.

I invite you to read further about this exciting opportunity that charts the course for a cleaner environment and lower energy costs. Inside this special edition of Community Focus is more information on the particulars of our plan.

**Customer Care: (202) 833-7500**
**To report an outage: 1-877-PEPCO-62 (1-877-737-2662)**
**Web Site: www.pepco.com**

Sincerely,

Kim Walker

Vice President, Maryland Affairs
202-872-2524

# Partnering with Customers for an Energy-Efficient Tomorrow

As the price of energy was rising for all of us last year, we heard our customers say they wanted to know what Pepco was doing to address the problem.

Fast forward to this year. We still face energy challenges given our society's growing appetite for energy. But Pepco believes there is a way to reduce the cost of energy while protecting the environment. We believe this can be done through advanced technologies that will empower all of us to better manage our energy use.

Recently, Pepco submitted its plan for an energy-efficient tomorrow to the Maryland Public Service Commission. Pepco is hoping to work collaboratively with District officials to make the plan a reality for our customers.


Here's a snapshot of our proposal:

- Provide customers with financial incentives when they invest in energy-efficient appliances.
- Reduce the cost of energy for customers who participate in programs that will allow for the cycling of their home's largest energy users – air conditioning – during high-demand periods.
- Invest in state-of-the-art meters and thermostats that will help us:

  • remotely identify the location of outages and restore power faster,

  • eliminate the need for estimated bills, and

  • reduce energy costs. These devises will give customers the tools needed to know how and when they use energy. Customers who cut their demand during peak periods, when the wholesale price of electricity is higher, will reap the cost savings.
- Provide bill credits (and new rate options later) that encourage the use of renewable energy sources such as wind and solar, and encourage the use of plug-in electric vehicles.While we announced our proposal just last month, it has been in the works for quite some time. In the coming months, you will learn more details about this initiative to reduce energy costs, enhance reliability and protect the environment.

Together, we can make a measurable contribution to meeting environmental challenges, and at the same time make electric bills more affordable.

# Glossary of Energy Terms

Here is a glossary of energy terms that you will come to hear more frequently in the coming months and years as Pepco puts its energy- and money-saving proposal in place.

**Automated Metering Infrastructure** – a system that communicates with meters to support the full benefit of smart meters and smart thermostats (see definitions below).

**Demand Side Management** – programs or actions that encourage utility customers to change how much and at what times they use energy with a goal of saving energy and reducing energy costs.

**Energy Star** – a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy that promotes the use of energy efficient products and practices to save energy and protect the environment.

**Peak Demand** – the maximum power required at a given time, or the amount of power required to supply customers at times when energy consumption is the highest. Pepco customers typically use the most energy during hot summer afternoons.

**Smart Meter** – a meter that measures electricity use by the hour in real time. Traditional electric meters only measure total electricity use over time. Information from a smart meter can help consumers save money by determining when the least expensive time is to use electricity. These devices also remotely detect power outages for faster service restoration.

**Smart Thermostat** – a programmable device that schedules when to run your home's heating or air conditioning system. Some thermostats can receive a signal from an outside source, such as your utility, that cycles heating and cooling systems to run only when energy prices are low.


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