

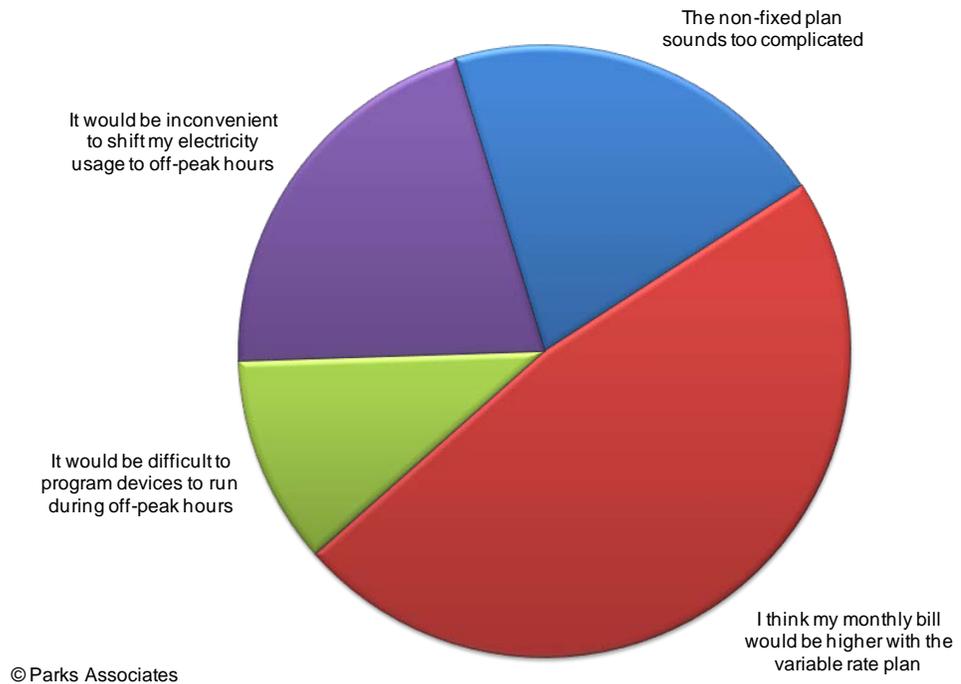
By **John Barrett**, *Director, Consumer Analytics*, and **Yilan Jiang**, *Manager of Consumer Research*, **Parks Associates**

SYNOPSIS

Electric companies are seeking to manage their grids by encouraging consumers to shift energy consumption to off-peak hours. One of the key tools at their disposal is variable rate pricing plans, but consumers are resisting.

Receptiveness to Variable Rate Plans analyzes consumer receptiveness to variable rate plans and tests their willingness to adopt them under a variety of specific conditions (peak times, peak premiums, etc.). It also tests potential incentives for adoption and gauges how consumers are likely to change their energy consumption habits in response to a variable rate plan.

Reason for Not Choosing Variable Rate Plan
(U.S. Broadband Households not Choosing Variable Rate Plan)



ANALYST INSIGHT

“Consumers are resistant to the idea of a variable rate plan more than the specifics of the plan. They show lots of confusion and uncertainty. That said, consumers are willing to adopt variable rate plans if incentives are offered.”

— **John Barrett**, *Director, Consumer Analytics*, **Parks Associates**

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Variable Rate Pricing

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Previous Research

Key Findings

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Recommendations**Market Overview**

- Energy Reduction Actions (Q4/12)
- Actions taken to Reduce Energy Usage (2010 – 2012)
- Satisfaction With Electricity Plano (Q4/12)
- Appeal of Utility Programs (Q4/12)
- Interest in Energy Saving Goals (Q4/12)
- Preferred Energy Efficiency Incentives (Q4/12)

Receptiveness & Resistance to Variable Rate Plans

- Interest in Electricity Rate Plans (Q4/12)
- Willingness to Use Variable Rate Electricity Plans (Q2/13)
- Willingness to Use Variable Rate Plans vs. Plan Attributes (Q2/13)
- Willingness to use Variable Rate Plans by Region (Q2/13)
- Willingness to Use Variable Rate Plans by State (Q2/13)
- Willingness to use Variable Rate Plans by Education (Q2/13)
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- Appeal of Thermostat Features (Q4/12)
- Willingness to Use Plans with “No Risk” Guarantee or Thermostat Rebates (Q2/13)
- Willingness to Use Plans with “No Risk” or Thermostat Rebates by State (Q2/13)
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Receptiveness to Variable Rate Plans: Incentives for Variable Rate Plan Adoption

- Expected Behavioral Changes & Variable Rate Plans (Q2/13)

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- Expected Behavioral Changes by Gender & Minors in Home (Q2/13)

Additional Research from Parks Associates

ATTRIBUTES

Parks Associates
15950 N. Dallas Pkwy
Suite 575
Dallas TX 75248

TOLL FREE 800.727.5711

PHONE 972.490.1113

FAX 972.490.1133

parksassociates.com

sales@parksassociates.com

Authored by John Barrett and Yilan Jiang
Executive Editor: Tricia Parks

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