

Policy Objectives for Discussion
by Working Group #1

	Policy Objective(s) to be achieved by Dynamic Tariffs and or increased Demand Response	Shorter Policy objective to achieve same goals
1	Lower the overall cost of providing electricity to customers while maintaining equal or better service reliability	Minimize the life cycle costs of providing energy services to customers for agreed upon levels of reliability (outages)
2	Provide time varying retail rates so that customers and generators make "optimal investments" in new plants or new system controls	Give customers accurate price signals that reflect the underlying costs of delivering energy on a time varying basis.
3	Give customers more tools to manage their loads and bills to achieve more economic growth and energy efficiency	Increase customer's options to manage their energy bills
4	Reduce the costs of reading electricity usage and give distribution companies more accurate and current information on customer outages	Reduce billing and metering costs thru advanced metering if possible
5	Make the aggregate demand for electricity more elastic and thus restrain ability of generators to bid higher prices into market without risk	Reduce probability and duration of wholesale electricity price spikes
6	Ensure that changes in wholesale prices are passed through to retail rates within a reasonable time frame.	Link wholesale and retail price structures for customers who desire this information
7	Reduce need to call "dirty" peaker plants to operate for 50 to 100 hours during periods of high peak load each year	Increase environmental quality and or reduce air quality problems in non attainment air basins.
8	Reduce or eliminate the need to call for rolling outages by installing automated building controls to achieve automatic peak reductions in new buildings	Increase reliability of the entire electricity system and overall level of customer service.
9	Give customer more choices on the types of rate structures they choose that match their preferences to activity manage load and alleviate price risks.	Create a more diversified portfolio of demand and supply contracts to help manage future price risk.