



### **National Survey: Majority of Australian Consumers Don't Know What a Smart Grid Is, but Those Who Do are Ready to Embrace It**

*Consumers Familiar with Smart Grid Identified Changes to Energy Pricing - Designed to Save Money - Appealing*

SYDNEY, AUSTRALIA —March 23, 2010— In the future, Australian consumers expect to benefit from a smarter electrical grid by saving money on their energy bills and many are willing to adjust when they use their appliances throughout the day in order to receive the best prices, according to a new consumer survey published today by GE Energy.

However, the willingness to embrace the smart grid – which acts like an interactive web, or “energy Internet,” with two-way communication and multidirectional power flow – is only existent among those that already understand what a smart grid is and what it could mean for them. Seventy-two percent of Australians are not familiar with the term “smart grid.”

However, of those Australians that are familiar with the term “smart grid,” the survey went on to find that nearly three-quarters wish they had more information about what a smart grid is and how they will know if/when they are connected to one. In addition, 68 percent of those respondents aren't even sure if they're already connected to a smart grid.

The survey<sup>1</sup>, commissioned by GE Energy and conducted by StrategyOne in March 2010, coincides with the 2010 National Smart Grid Forum starting today in Sydney, where government and corporate officials will focus on the future of energy in Australia. GE Energy's Bob Gilligan will be leading the discussion on “The Smart Grid Advantage.”

“Although we still have a long way to go in creating consumer awareness about smart grid in Australia, the good news is that many Australian's who do understand this new energy system grasp its benefits – among the top being time-of-use pricing,” said Bob Gilligan, vice president, transmission and distribution, for GE Energy, and a speaker at the National Smart Grids Forum. “A utility's cost of producing electricity varies throughout the day. Yet the majority of residential electricity customers pay one set price – all day long.

“The significant consumer willingness to shift daytime power use to off-peak periods is a crucial change that we've been aiming to achieve, as it helps support 21<sup>st</sup> century energy models in Australia and throughout the world.”

Time-of-use pricing is not a new concept to consumers. Similar to how they are billed for cellular services, time-based pricing is a special pricing structure in which producers charge different rates for a given good or service depending on the time, day, month, etc. Time-of-use pricing, specifically, is where electricity prices are set for a specific time period. Prices paid for energy consumed during these periods are provided to consumers in advance, allowing them to vary their usage in response to such prices and manage their energy costs by shifting usage to a lower cost period or reducing consumption overall.

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<sup>1</sup> The smart grid survey was conducted online in March 2010 among a nationally representative sample of 500 Australian consumers. The margin of error is plus or minus 4.2% at the 95 percent level of confidence.

## Australian Perception of the Smart Grid

Time-of-use pricing models are not the only perceived smart grid benefit in Australia. Nine out of 10 respondents who are familiar with smart grid are overwhelmingly positive about the technology and what it will do for the country. Specifically:

- **45 percent** agreed that the smart grid would help Australia rely more on clean domestic energy sources
- **45 percent** said smart grid would help reduce the number of outages and lead to quicker power restoration when outages did occur
- **43 percent** believe smart grid will give them the information they need to make better decisions about their electricity usage

In addition, nearly half of all Australians agree that once smart grids are in place, they will receive a quicker return on their investment in rooftop solar and other home renewal energy systems – a unique energy feature not yet available to mass market consumers in other countries.

“Today, most consumers are in the dark when it comes to energy consumption and costs,” said Gilligan, who plans to discuss smart grid advantages at today’s forum in Sydney. “With electricity rates rising, consumers might be comforted to know that smart energy tools – such as smart meters and home energy panels – provide real-time information to help manage energy usage and save money.

“But they need information on exactly how it works and how they can maximize the smart grid tools available to them. I can’t stress enough that driving consumer awareness and acceptance of the smart grid must become as significant a priority to industry and government leaders as actually bringing smart grid technologies online, because smart grid’s success is reliant on achieving both.”

Australian consumers agree. Despite Australian’s belief in the benefits of smart grid, nearly nine out of ten still think that there are challenges to be faced in rolling it out in the country. The number one perceived challenge being the ability to educate other consumers about smart grid’s benefits. Australia’s smart grid leaders must also overcome lingering concerns about smart grid’s privacy and security standards to ultimately gain greater consumer trust and confidence in the long-term benefits of smart grid.

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