Season 1 Episode 2 – Money Saving Tips with Alabama Power Part 2

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Speaker 1:

It's time for Alabama Money with Cynthia White and Porsche Johnson. We'll have financial tips from financial experts from across the state, and extension specialists at Auburn University.

Cynthia White:

Hello and welcome to Alabama Money, where we talk finance facts fun and fast. I am your host, Cynthia White. And today, I am joined with two of our energy experts from Alabama Power, Kelly Skelton, who serves as a senior customer services and sales specialist, and Mike Jordan, division area manager for Southern Division. Today, we're going to focus on programs and tips to improve energy efficiency. As we know, energy costs can add up quickly, especially during those seasons with extreme weather and temperatures. I've recently been learning about ways to try to conserve energy, some small changes that I didn't realize could make such a big impact. I know if there's anyone that knows how to manage those energy bills, I bet it's the team at Alabama Power. You all have a lot of resources that many people don't even realize are available. I'd like for you to share a few of those with our listeners today and see if you can assist them in managing their energy costs.

Kelly Skelton:

Well thank you, Cynthia. Thank you for having us here today. And you're right. As an energy provider, we want to ensure we provide reliable and safe electricity to all of our customers. But also, we just want to equip folks with the knowledge and the tools they need to manage their energy and manage their power bills.

Cynthia White:

So let's start with the basics. How can I see exactly what my energy usage is? Where would that be?

Mike Jordan:

So your monthly bill is a really good place to start. That's going to provide insight as to how much power, how much energy the customer is using from month to month. Unless the customer has set up themselves on budget billing, that bill amount is going to rise or fall specifically dictated by how much energy they use during that month. That varies from month to month. So colder months' energy usage, it's going to increase. Summer months, it's going to increase. My bill tends to fall in March and April, and again back in maybe October and November when my energy use usage is less. And ultimately, if you see anything abnormal with that bill ... maybe the amount looks extraordinarily high for absolutely no reason or extraordinarily low for absolutely no reason ... we encourage customers to reach out to our customer service office.

Cynthia White:

Speaking of savings, temperatures are starting to rise already. And we see that already in Alabama, summer months especially. So how does that weather impact, directly, our energy bill?

Mike Jordan:

So weather absolutely has the biggest impact on your energy bill. Temperatures rise. Humidity levels rise. So your system ... your heating and your cooling system ... has to work harder in order to keep one's home comfortable. But even beyond that, I would say that a lot of the tips that we're going to talk about today are very lifestyle. A lot of those tips are lifestyle specific, so it just requires a little bit of observation. Perhaps there are windows that are left open, doors that are cracked. Perhaps someone is leaving the refrigerator door open, lights are left on. Those aren't going to cost the customer a cent in order to fix. But when they make those small lifestyle changes, that creates an enormous saving on their bill. I'll use one very quick example of just observations.

So we had a customer that came into our office back in the summer of last year, and they were having a really tough time keeping a specific room cool during the summertime, and their system was having to work harder and harder in order to cool that room. Well, they just looked around. What they realized is when they had put their Christmas decorations up after Christmas, they had actually pushed the decorations and the ductwork had come loose from the trunk of that heating and cooling unit. So the attic was a very comfortable temperature. The room, however, was not. So they were a cooling space that never was intended to be cooled. So they fixed it, immediate impact. And it took only reconnecting the duct work to the trunk. I only say that because there are small things that we can do that do make a big difference and don't cost any money.

Cynthia White:

Now when you mentioned that, the first thing that I thought about was closing vents in certain rooms. Is there a benefit to that? If it's a room that's not being used on a regular basis and you close the vents to that particular room, does that help?

Mike Jordan:

The answer is no because that unit is trying to cool or condition the air in the entire house. So even if a room is closed off, still, that unconditioned air is leaking into the conditioned air space. So closing a vent is going to have very little effect on that.

Cynthia White:

What about the thermostat? I know I've heard various recommendations about having a programmable thermostat, or not changing your thermostat. I know, for me, I typically will turn mine down at night and then turn it back up. Is that a problem?

Mike Jordan:

So I get in trouble with this answer every time, but my answer is we recommend setting the thermostat at 78 degrees. I get in trouble because for some people, 75 is a more comfortable temperature. For some people, even lower is a more comfortable temperature. But when you think about it, if you set that thermostat at 78 degrees, that's going to account for about a 3% to 5% savings on the energy bill. If a customer says, "Well, I just can't live at 78. I need it really 75," the recommendation is that that be the consistent temperature rather than trying to raise and lower, which makes that unit work even harder throughout the day to condition the air.

Cynthia White:

That's very good information to know because, like I said, I'm definitely one that unfortunately turns mine up and down. So knowing that, that you want to keep it, what if your home just simply is not cooling at, say, 75 and 78? Does that mean there's something that you need to check, like the insulation or something?

Kelly Skelton:

Well, Cynthia, that's a good point. A recommendation we make to our customers is be sure and have those HVA systems serviced annually. I would say if you're just not at the comfort level where you want to be ... and maybe you have been recently and you see a change ... certainly call an HVAC dealer and have them check it out. But things you should be doing on a regular basis ... again, like Mike said earlier, they're simple, you just have to be observant and remember to do these simple steps ... is change your air filters monthly. And we spoke about you don't want to be raising your thermostat up eight, 10 degrees, and then bumping it back down. That degrades the system over time. It just makes it work harder and it makes it less efficient.

Cynthia White:

Now, Kelly, I know when we talk about setting that thermostat, I've often heard that in doing that, we can use ceiling fans. Is that good or not so good? Is it still the same amount of energy?

Kelly Skelton:

That's a great tip, Cynthia. I'm glad you brought it up. I forget that tip sometimes. I leave my ceiling fans on all the time, except when I leave home. And that's a good idea. In the summer, if you'll actually set your ceiling fan to turn counterclockwise, you'll feel more of a cool breeze on the occupants in the room. A lot of people don't realize you can change the motor setting on those ceiling fans. So in the summer, you want to be counterclockwise. And you can feel, I've heard, up to three to four degrees cooler if you have a ceiling fan in the room blowing on the occupants. I mean, who hasn't sat in front of a fan in the summer and felt so much better? And then in the winter, the same is true. You just change that setting to clockwise and it creates a little bit of an updraft. And we all know warm air rises, so that's the concept there. And really, as far as what you feel, you can feel a three to four degrees difference just by using those fans.

Cynthia White:

Kelly, I'm glad you mentioned that because I know we've mainly talked about cooling the home, so I'm glad you mentioned a little tip to help with he heating the home as well. So counterclockwise during the summer months, and clockwise during the winter months.

Kelly Skelton:

That's right. You've got it.

Cynthia White:

Okay, so we talked about the thermostat a little bit earlier, kind of setting the thermostat and keeping it on a set temperature. But we also mentioned the programmable or smart thermostat. So is the thermostat actually connected to the actual AC unit?

Kelly Skelton:

Well yes, sure. It's connected to your AC unit and that's how you're going to control the temperature with that AC unit. Programmable thermostats are great. I would say smart thermostats are even better. A smart thermostat actually learns how you use energy in your home, your preferred settings, when you're home and when you're away. And another benefit of a smart or wifi-enabled thermostat is that you can control them from a mobile device, so anywhere. I don't know about you, but I've been on my way to work before and realized, "Hey, the air conditioner's on wide open because I was hot this morning," so you can control those from anywhere on a mobile device.

Cynthia White:

What else do I need to know to make the heating and cooling system in my house work well, based on that AC unit and the thermostat?

Kelly Skelton:

Okay, well let me back up just a minute, Cynthia. I think it's important for us to remind our listeners that heating and air conditioning, HVAC systems in the home, they are by far the largest energy user in a typical residential home, accounting for over 50% of the energy usage. So with that in mind, think about the purchase decision when you're buying a new air conditioning system, or heating and cooling system, or even if you're upgrading an old one. You want to pay attention to efficiency ratings and SEER rating ... S-E-E-R, seasonal energy efficiency rating ... is a rating of the efficiency of a unit. So the higher the rating, the more efficient the unit. So you want to make sure you make a smart purchase to start with, and then you want to make sure you're maintaining your attic and crawlspace vents.

You want to promote ventilation to decrease humidity during the summer months. Of course, you want to keep those air filters changed at least monthly, depending on the type of filters you buy. A dirty air filter cuts airflow and it reduces the efficiency of your unit. There are some other tips. We're talking about inside the house, but think about outside the house as well. You want to keep the debris cleaned away from your outside unit. That's something I think, as homeowners, we forget sometimes. Those grass clippings and leaves can really get in that outside unit and are not good for the overall performance of the unit.

Cynthia White:

Now this might not necessarily be a tip, but just based on the information ... which is wonderful information that you just provided on purchasing a new system, new AC unit, or heat pump ... If I had a question, I was about to make a purchase but I wasn't quite sure, can I contact someone at Alabama Power to kind of help me determine what I should actually look for?

Kelly Skelton:

Of course you can. And Cynthia, we actually can go a step beyond that. At Alabama Power, we offer financing for customers who are purchasing appliances, heating and cooling systems, generators, even just energy-efficient upgrades and roofing for their homes. And we have a dedicated number for that, or you can go on the website at getsmartfinancing.com. You can find an HVAC dealer in your area, and you can finance HVAC systems, appliances, home improvements, even generators and roofing.

Cynthia White:

That is definitely good to know. Now, Mike, earlier you talked about leaving windows open, that type of thing. And I know as a child, that was something we always heard. "If you're in and out the house, you either stay in or out. Keep the door closed, you're letting the air out." Is there any truth to this?

Mike Jordan:

The answer is absolutely truth. Because any time that a window is left open, any time that a door is left open, it's allowing that conditioned air to escape and it's allowing that unconditioned air to enter the house. And that's a winter or summer truth. So during the wintertime, we're trying to keep the house warm. Allowing the cold air to enter just makes that system work harder. During the summer, allowing that humid summertime air to come in just makes that system stay on longer, work harder. It's also true that during the summertime, things like

closing drapes and keeping blinds closed on the sunny side of the house will have a cooling effect because it's not allowing that radiating heat to come in. During the wintertime, we reverse that and say, "Yeah, open those blinds." Allow that natural sunlight to enter the room to create some natural warming.

Cynthia White:

A little bit earlier, Kelly mentioned having the correct appliances in the home and how that can affect, as far as heating and cooling. What is the importance of having the appropriate appliances across the board?

Mike Jordan:

When a customer is looking to upgrade their appliance, it's worth considering those upgrades that are going to be more energy-efficient. And for the most part, any new appliance that someone buys now is going to be more energy-efficient than the appliance they would have bought 10 or 15 years ago. But those new appliances, they do save a lot of money. So for instance, a heat pump is a great example. Kelly mentioned that the heating and air conditioning unit is the largest proportion of someone's power bill. The hot water is second, yes. So that's an opportunity to save additional money in replacing a hot water heater with one that is more energy-efficient. So a family of four can have all the hot water they need with an electric water heater, and that's going to save about $30 a month.

Cynthia White:

How would a customer know if the appliance that they're purchasing is a more energy-efficient appliance?

Kelly Skelton:

Well really, Cynthia, the easiest thing to do is look for an appliance that's energy star-rated, and you can be sure you're getting something that's highly efficient and will result in additional savings.

Cynthia White:

How would I know if it's energy star-rated? Is it marked on the appliance or does the retailer notify?

Kelly Skelton:

It is marked on the appliance with a special label.

Cynthia White:

Perfect. That is awesome to know. Now, Kelly and Mike, let's speed things up just a tad bit with a lightning round. I'm going to name a room in the home, and let's see if you can give us a few tips on how we can lower energy costs in that particular room.

Kelly Skelton:

Works for me. Mike, you ready?

Mike Jordan:

I'm ready.

Cynthia White:

All right. Let's start with the laundry room.

Mike Jordan:

So don't use too much soap. It's going to make your washing machine work harder and it's going to create the potential that you're going to have to wash again in order to get all the soap out. We also recommend opting for cold water rather than hot water.

Cynthia White:

That's always one that gets me. So you're saying my clothing is going to be just as clean in the cold water, as if I wash it in hot water?

Mike Jordan:

Yes.

Cynthia White:

Okay. Let's go with the kitchen.

Kelly Skelton:

Well, be sure to use that kitchen exhaust fan when you've heated up the kitchen cooking, but don't leave it running too long. If you leave it running more than 15 minutes, you start to remove the conditioned air, the cool air, from the home. And also, don't overload your refrigerator or freezer. You want to leave enough space for air to flow so that refrigerator works efficiently. And my personal favorite: Don't forget to clean the coils under your refrigerator. I'm joking. I haven't done that in a while, and I did it recently. There's a brush you can buy, just a long extension, that's easy to use and keep those coils clean. That'll keep your refrigerator running efficiently.

Cynthia White:

That's good. So that exhaust fan doesn't just get rid of the smell, but it actually pulls out some of the heat?

Kelly Skelton:

It can, but you don't want to leave it running too long.

Cynthia White:

Okay! That's awesome. Water heater.

Mike Jordan:

Something about a water heater, that very few customers realize, is the need to insulate the water heater. The more that your electric water heater is insulated, the less heat you're going to lose from that unit, the more efficient it's going to be.

Cynthia White:

What about the attic?

Kelly Skelton:

Well, you really need to be checking the level of insulation you have in your attic. You want to make sure you have from 10 to 12 inches of insulation in your attic. And if you have a crawl space or a basement, you can use a type of insulation wrap or blanket in that area.

Cynthia White:

What about lighting? What are some tips with lighting?

Mike Jordan:

So replace incandescent light bulbs with the LED bulbs. Especially when you think about that recess lighting, kitchen fixtures, lights that are going to be operated for maybe two or more hours a day. Think about replacing those immediately, and that will generate some immediate savings.

Cynthia White:

This has been really helpful, really useful. Wonderful tips that you've given us today. Is there just a last minute thing that you'd like to give us on getting additional information if needed?

Kelly Skelton:

I would say check out alabamapower.com/save, and take advantage of all those energy tips we make available to you on our site. And then, just take the simple steps to implement some of them.

Cynthia White:

Well, I thank both of you so much for joining us today. I'm Cynthia White, and this is Alabama Money, where we talk finance facts fun and fast.

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This has been a production of Alabama Extension at Auburn University.