



# Odd-Even Fuel Purchasing

## Western Regional Emergency Fuel Coordination Meeting

California Energy Commission  
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*California Energy Commission*



# Consumer Behavior Varies by Energy Type



- Appeals to consumers to alter behavior to reduce peak electricity demand are usually successful
  - Minor inconveniences in operating appliances
  - Minor discomfort in raising thermostats
- Trade-off – minor inconvenience in exchange for avoiding rotating outages
- Regulators and utilities understand this dynamic
- This is why appeals for conservation are widely dispersed and effective
  - California Flex Alert system



When the California ISO calls a **Flex Alert**, take three simple actions:



Turn off all unnecessary lights



Postpone using major appliances until after 9:00 p.m.



Set your air conditioning to 78° or higher



# Transportation Fuel is Another Matter

- The Arizona Example

- July 30, 2003 - leak in Kinder Morgan product pipeline in Tucson shuts down deliveries from the east into Phoenix
- August 1 – pipeline repaired and pumping resumes at lower pressure
- August 8 – pipeline shut-down due to test results showing pipe defect
- August 11-12 – gasoline supplies tighten, especially for independents
- August 13 – during press conference, Governor “predicted that there would be some outages at independent stations, but that there would be no widespread shortage”
- August 16 – long lines & majority of stations are without gas
- August 18 – long lines begin to recede
- August 24 – start-up of Tucson to Phoenix line using bypass
- September 12 – completed replacement of 4600 feet of new pipe, resumed operations at 50 percent normal operating pressure

*Consumers have the opposite reaction to real or perceived fuel shortage – will tend to top-off and hoard*

# Odd-Even Rationing – Earlier Efforts

- Response to tightening supplies in a *controlled* market condition
  - December 1973 – March 1974
  - May 1979 – July 1979



Line at the Hess station at 44th Street and 10th Avenue, New York City, 1979 – source: NY Times 11/9/12.

*Intent was to conserve fuel...debatable if that goal was achieved.*

# Odd-Even Purchasing

- Demand needs to be controlled & hoarding curtailed
  - Odd-even rationing is an effective tool – statewide implementation
  - Would require pre-planning and should be deployed shortly after the incident – ***should be coordinated with regional states***
  - Security would likely be required in urban areas
  - Most California retail stations are self-serve and would need oversight to improve compliance
  - Traffic control
  - Adequate manpower
  - New rule-making?
  - New legislation?

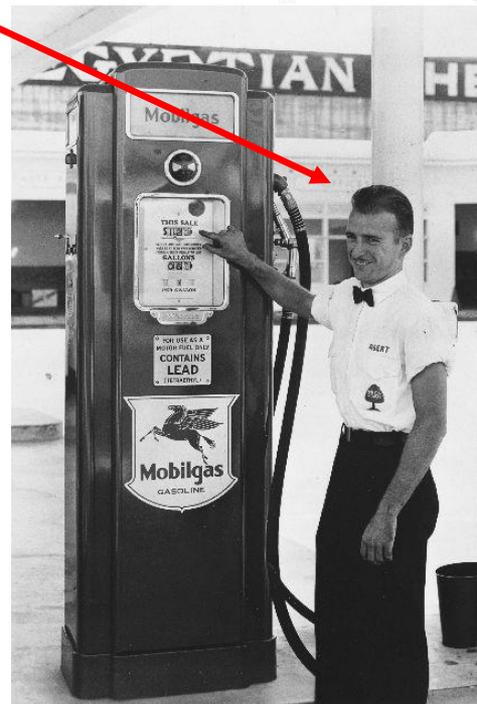


Source: San Diego Historical Society.

# Odd-Even Purchasing

- Enforcement not guaranteed
  - No more attendants available to oversee compliance
  - Many locations – single employee
    - Inside the store
  - More diverse vehicle plates
  - Could social apps be used?
    - Document offenders
    - Alert law enforcement
- Should review reselling laws
  - To ensure fuel not purchased for resale
    - ebay
    - Craig's List
- Anti-gouging laws
  - CA allows 10 percent price increase – after declaration of emergency
  - Price increases can be greater if costs to supply rise

San Diego Historical Society





# Questions?



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