

**NEW BOOK FROM ROCKY MOUNTAIN INSTITUTE
FORETELLS REVOLUTION
IN ELECTRIC POWER INDUSTRY**

press release

SNOWMASS, Colo., September 4 — A new book called *Small Is Profitable: The Hidden Economic Benefits of Making Electrical Resources the Right Size* shows the electric power industry why appropriately sizing (and siting) electrical production can be **more profitable** than building large, centrally located power plants. *Small Is Profitable*, released today by Rocky Mountain Institute, describes **207 ways** in which the size of “electrical resources”—devices that make, save, or store electricity—affects their economic value. It finds that properly considering the economic benefits of “distributed” (decentralized) electrical resources typically raises their value by a large factor, often **as much as tenfold**. These gains are realized through improved system planning, utility construction and operation, and service quality, and by avoiding societal costs.

The increases in value that result can be large enough to make seemingly **expensive technologies economically viable**—a revolutionary concept for the electricity industry. For example, accounting for these benefits can make the relative cost of grid-interactive photovoltaics (solar cells) competitive with a natural-gas-fired power plant, in some applications.

Written by a **team of energy experts** who back up their assertions with years of research, *Small Is Profitable* introduces its readers to the new opportunities presented by considering these economic benefits. These opportunities will be of interest to engineers, financial practitioners, business managers and strategists, public policymakers, designers, and concerned citizens.

The authors point out that many of the assumptions informing decisions in today’s electrical markets are **no longer valid**. While the industry still behaves as though generation expenses are the deciding factor in the consumer cost of electricity, transmission and distribution and grid maintenance costs are now in the driver’s seat. This switch has brought with it **vast new business opportunities** that power suppliers and others in the industry should begin taking advantage of.

The book is **beautifully designed** and laid out for readability. Four-color charts and graphs and explanatory boxes throughout the book make it approachable for **readers of diverse backgrounds**.

The ideas in *Small Is Profitable* logically divide into three parts. Part 1, “Needs and Resources” examines an **amazing transition** taking place in the world’s largest industry—providing electricity. It explains how the industry has evolved and why it is now at a crucial “inflection point... a pivotal, wrenching transformation that sorts businesses between **the quick and the dead**.”

The meat of the book is in part 2, “Benefits of Distributed Resources.” It details the ways in which **size affects the value of an electrical resource** and the 207 distinct benefits of distributed resources. For simplicity’s sake, the benefits are broken into three categories: system planning, construction and operation, and other sources of value.

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The third part of the book brings its previous findings to the realm of policymakers, business, and individuals. “A Call to Action: Policy Recommendations and Market Implications for Distributed Generation” looks at overall U.S. energy policy, gives **specific recommendations** for federal and state regulators, examines private-sector implications, and concludes with a section on why distributed generation is important to every reader.

Industry experts are already buzzing about the impact *Small Is Profitable* will have.

- Dr. Daniel Kammen, Professor of Energy and Society and of Public Policy at the University of California, Berkeley says the book brings “**critical lessons** for the new century: technologies tailored to the needs of people, not the reverse, can improve the economy and the environment.”
- Dr. Carl Weinberg of Weinberg Associates, former Research Director of PG&E, calls it “**a great resource** for the innovation in energy services that will have to take place for us to have a sustainable future.”
- “This is a book **every utility professional** should have on the bookshelf,” proclaims Dr. Peter S. Fox-Penner, Principal and Chairman of the Board, The Brattle Group.
- Steven J. Strong, President of Solar Design Associates, Inc. predicts “this book will shift the electric industry from the hazards of overcentralization toward **the new era where distributed generation will rule.**”

Review copies are available to interested members of the media only. To request a review copy, <mailto:media@rmi.org> and specify whether you would prefer PDF or hard copy. The executive summary and table of contents are available to all at <http://www.smallisprofitable.org>.

Rocky Mountain Institute, located in Old Snowmass, CO, is an entrepreneurial nonprofit organization engaged in research and consulting. RMI fosters the efficient and restorative use of resources to create a more secure, prosperous, and life-sustaining world. For more information, please visit <http://www.rmi.org>.

Title: *Small Is Profitable: The Hidden Economic Benefits of Making Electrical Resources the Right Size*

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