

“Informational” Demand on Your Bill

For those accounts not already being billed for demand (kW), beginning with the July billing statement, we began listing demand information under the energy (kWh) charge line item in the ‘Detail of Charges’ section. This was included for all accounts even if they are not on a demand rate. See below for an example of what this looks like:

Detail of Charges		
RESIDENTIAL SINGLE PHASE RURAL	METER	
BASIC SERVICE CHARGE (MAIN)		37.00
ENERGY CHARGE	326 KWH @ \$.126270	41.16
DEMAND (information only)	2.804 KW	0.00
POWER COST ADJUSTMENT	326 KWH @ \$.006421	2.09
TOTAL ELECTRIC CHARGES		80.25

This is for informational purposes only and is intended to help members learn more about their energy use and understand the amount of demand they are placing on the electric grid.

The average demand for a residential service typically ranges from 6.5 to 8.5 kW, depending on the time of year. When comparing your demand against the average, remember, items such as older and larger HVAC systems, dehumidifiers, space heaters, hot tubs, pool pumps, electric vehicle chargers, and shop equipment put additional demand on the system and in some instances may even double a household’s demand.

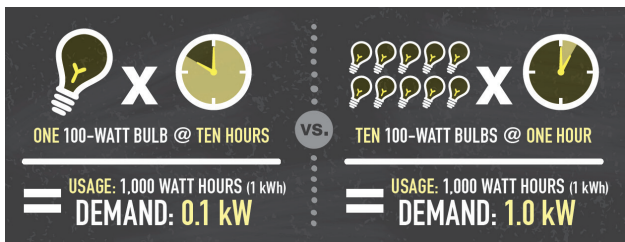
Why does this matter?

Having the capacity readily available to meet the peak energy demand on the grid at all times requires investments in generation resources (i.e. coal plants, solar arrays, or wind turbines) as well as electrical infrastructure (i.e. substations, conductors, and transformers) to meet the demand consumers require. Reducing and keeping demand low reduces the need for new generation sources and therefore what the Cooperative pays for wholesale electricity. To learn more about demand and how you may be able to reduce yours, visit www.peoplesenergy.coop/understanding-demand. You can also learn about programs we offer to help reduce demand, especially during peak times.

What is Demand?

To the electric utility, demand represents the amount of electrical power that must be available to consumers at any given time. To the consumer, demand is the amount of power needed to operate every electrical device running in your home or business all at one time. This is measured in kilowatts (kW). For example, your monthly usage may be 1,000 kilowatt hours (kWh), and your demand may be 10 kW. The 1,000 kWh's represents how much energy you consumed over the whole month; the 10 kW is the highest amount you needed all at once during the month.

The diagram below may help clarify the difference between energy consumption (kWh) and demand (kW). You will see that while the consumption (usage) is the same in both examples, the demand is greater in the example on the right.



People's Energy Cooperative

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