Demand charge added to Residential and Small Commercial Electric Bills

Demand is the amount of power needed to supply every electrical device running in your home or business at a specific point in time. It is the maximum rate at which your household has consumed electricity for one 15-minute interval within the billing month. Demand is measured in kilowatts or kW.

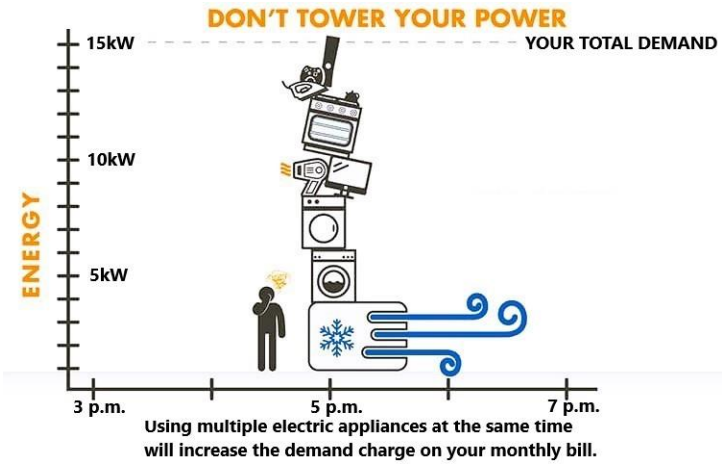
If a home or business were to plug in a single 1,000 Watt appliance that ran non-stop for 10 hours, it would consume 10 kWh of energy. The highest demand that took place was 1,000 Watts or 1 kW since no additional appliances were plugged in or running. In comparison, a home or business that uses multiple appliances, say ten 1,000 Watt appliances that all run for one hour, consumes the same amount of energy 10 kWh, but creates ten times the demand – 10,000 Watts or 10 kW.

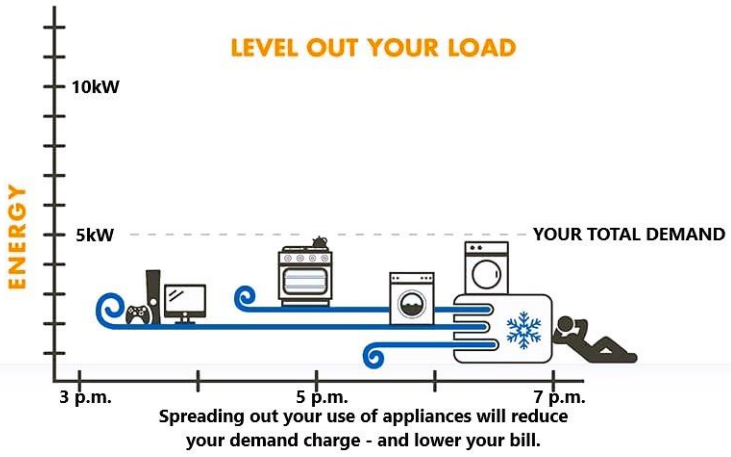
Y-W has decided to unbundle its charges and move to a three-part bill, showing a breakdown for a demand charge in kW, energy charge in kWh, and a service charge.

Each member's demand has always been bundled within the service and energy charges, but now Y-W is able to measure each member's demand and will bill for it separately, giving you the ability to control it. Unbundling the demand charge will help fairly distribute the costs of providing service to Y-W's members.

Y-W purchases power from our generation and transmission cooperative based on the peak demand of our members. Peak demand refers to the time of day when the demand for electricity is highest. During the summer months, peak demand is due to the irrigation of crops and typically occurs between 1:00 pm and 9:00 pm. In the winter months, this is typically during the late afternoon or evening hours from 5:00 pm – 9:00 pm, when families return home from work or school, cook dinner and use appliances the most.

The best way to manage and avoid high demand charges is to level your electric load. Instead of running multiple electrical appliances at the same time, stagger their run times through the day and set them to run at staggered times during late evening or throughout the night. The graphics below show an example of how one can lower their demand.



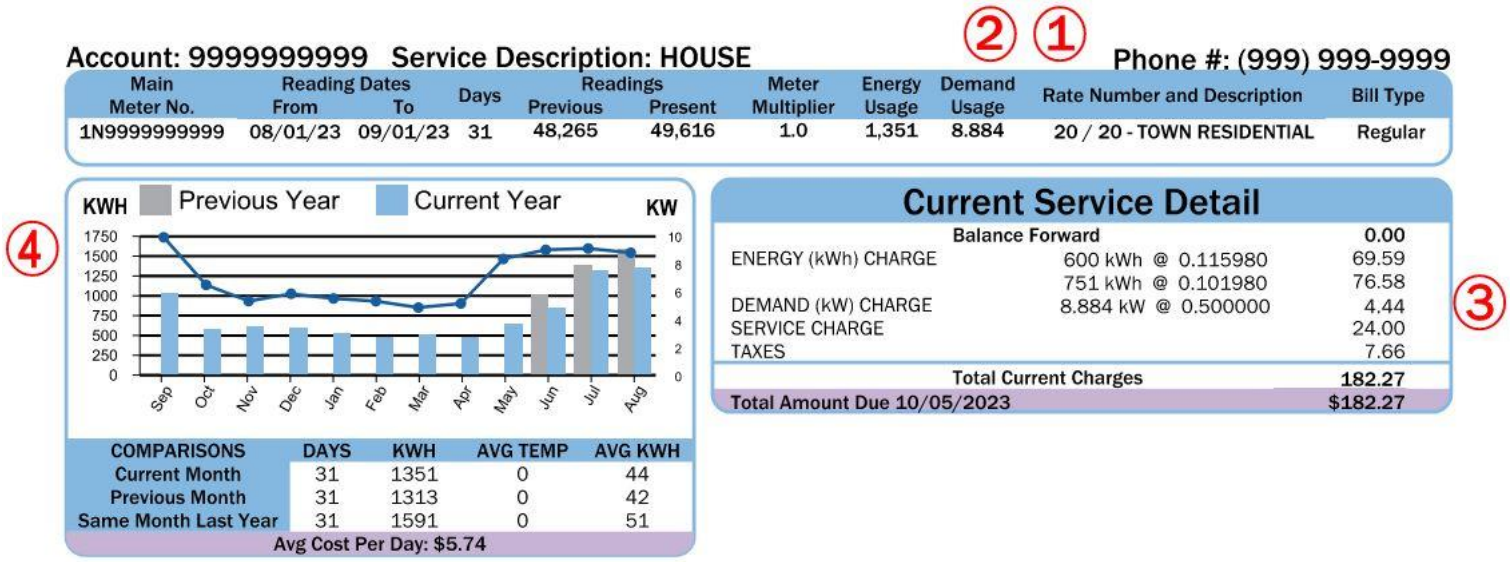


In the first graphic above, the kW demand that will be on the bill for that particular month is 15 kW. The Demand (kW) charge on the bill will be 15 kW x $0.50 = $7.50. By spreading out the appliances running at the

same time like in the second graphic, the Demand (kW) charge has been reduced in this instance to 5 kW x $0.50 = $2.50.

Members can find their kW demand on their monthly bill. See below for a sample bill and where to find your kW demand information.

YW has posted a residential rate calculator on Y-W's website www.ywelectric.coop for members to see the affects of the demand charge on their residential accounts. For more information about kW demand please see YW's website: Rates > Demand Billing. Please contact our office to answer any questions you may have.



1 – Rate Class
2 – Demand Usage
3 – Demand Charge
4 – Demand Graph – Demand kW for prior 12 months

By splitting out and billing for kW demand separately, Y-W is able to give members the ability to control a portion of their power costs if they so desire. And YW will be able to more equitably apportion the costs to provide electrical service to each of the members.