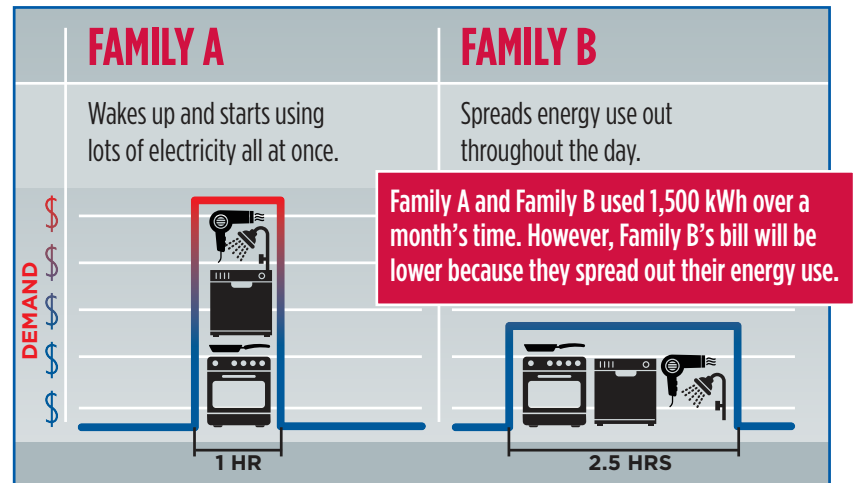


# UNDERSTANDING DEMAND



Coast Electric is changing the way we bill our members. For years, we have billed a daily service charge – this covers the costs of delivering electricity and services to your home or business – and we have billed for the energy you use. We will now separate the way we bill for energy use into two parts – the amount of energy you use and the demand you set.



## WHAT IS DEMAND?

When you use electricity, it makes an impact, or demand, on the energy grid. Your demand will be the largest amount of energy you use in any given 15-minute interval each month, which will be reflected on your bill.

## WHAT IS THE DIFFERENCE BETWEEN DEMAND AND MY ENERGY USE?

Think of it like this: In your car, you have an odometer that measures the miles you drive, and a speedometer, that measures your speed. In this case, your energy use is like your odometer, measuring the energy you use. Demand is like the speedometer, measuring the peaks in your energy use.

## WHY BILL FOR DEMAND?

Rate equity. Consider this example. Family A has a busy morning. They use hot water for showers, run hair dryers, bake biscuits, fry bacon, put on a load of laundry, and turn on the dishwasher.

Family B is also busy, but there is a difference. Everyone in Family B uses hot water for showers, but they have a water heater timer set. They also cook breakfast, and clean their dishes, but they use the delay feature on their dishwasher to come on a couple of hours later. They do the same for their washing machine, using the delay feature so they will have clean clothes to put in the dryer when they get home later in the day.

Throughout the day, Family A and Family B might use around the same amount of electricity, but Family B spread out their use throughout the day. Family A, however, set a higher peak because they used everything all at once.

The way we currently bill members, Family A and B could have the same bill for the month, even though Family A costs more for Coast Electric to serve. Beginning in June, Family B will have a slightly lower bill than Family A because Family B spread out their energy use. Charging for demand makes our billing more equitable as families pay for both the amount of power used and the demand placed on the system.

## HOW WILL THIS AFFECT MY BILL?

If you spread out your use, your bill could be lower. If you are not staggering your use, and use lots of electricity all at once, your bill could be higher.

## IS THIS A NEW FEE?

No. 44% of Coast Electric's energy costs are demand related. Members have always paid for demand in their energy rate. Now, we will separate energy use and demand charges allowing those who spread out their energy use to save money.

## WHAT CAN I DO TO LOWER MY DEMAND?

Simply stagger your electric use, like Family B did in the example. Don't use all your appliances at once. Wash dishes and wait until they are done to do a load of laundry. Use water heater timers and programmable thermostats. These simple actions will help lower your demand.

## HOW WILL THIS AFFECT MEMBERS ON THE TIME OF USE RATE?

All residential members, including those on our Time of Use (TOU) rate, will be billed for their demand. Our TOU members are familiar with using less energy during peak hours, so this might not be as much of a change for these members.

Just make sure that you don't have all your appliances set to turn on all at once at the end of peak hours. Keep your energy use spread throughout the day, and you could see additional savings!

## WILL MY PAPER BILL LOOK DIFFERENT?

No. Your paper bill will look the same. If you would like to see a detailed explanation of all charges, our online calculators will give you all the information you need.

## WHEN WILL MY BILL REFLECT THIS CHARGE?

The bill you receive after June 1 will have a demand charge included.