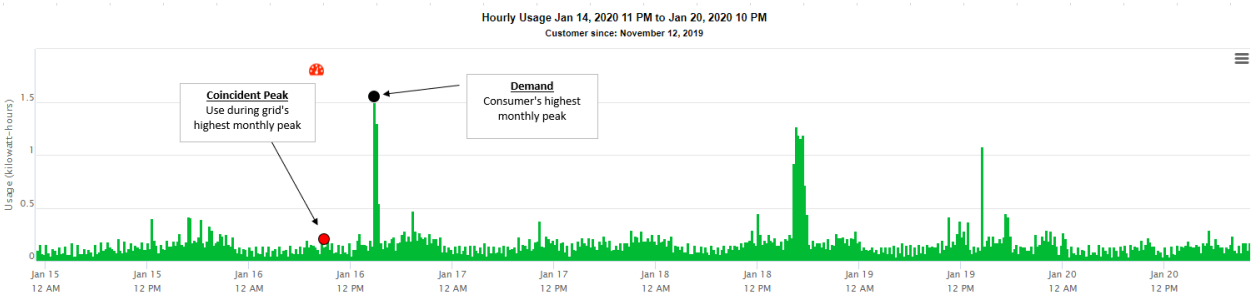
Understanding Coincident Peak Demand

What is Coincident Peak Demand?
Coincident Peak Demand is the total amount of electricity being used by a member during the one hour every month that the need for electricity from our power supplier is at its highest.

How does Coincident Peak Demand differ from demand?
Coincident Peak Demand is a member's usage during that hour each month when the need for electricity is highest. Demand is a member's highest 15-minute (kW) usage during the month. The illustration below shows that this member's highest demand during the month was quite a bit higher than usage during the coincidental peak hour (which is denoted in SmartHub via the speedometer infographic).



Why have a Coincident Peak Demand charge?
Coincident Peak Demand charges mirror what our power provider charges the co-op. We use this method of billing for our commercial, industrial, distributed generation rates, and as an option for residential members.

Am I currently billed a Coincident Peak Demand charge?
You can check your monthly statement to see if there is a Coincident Peak Demand charge line item. If you do not see it on your bill, then this charge does not apply to you.

Are Coincident Peak Demand charges unique to REC?
No. Coincident Peak Demand billing is commonly used in the electric utility industry.

Is Coincident Peak Demand billing right for me?
If you are willing and able to reduce or eliminate your monthly coincidental demand, significant savings can be obtained.

How can Coincident Peak Demand charges be reduced?
While the Coincident Peak occurs only 12 hours each year, it is often a significant portion of the bill. To reduce Coincident Peak Demand charges, members will want to reduce the electricity they use as much as possible during that one hour each month.

- When is that one hour? It varies and is not known until the end of each month.
- So, if I don't know when that one hour occurs, how can I attempt to reduce my need for electricity at the appropriate time? Below we have listed some seasonal peak trends to help. Additionally, for a small fee, you can subscribe to our PADRe (Peak Alert Demand Response program) in which we issue email alerts notifying participants of potential peak hours each month. This program simply provides forecasted alerts of potentially high systemwide needs and does not guarantee accuracy or savings.

Seasonal Peak Trends
The monthly coincident peak occurs due to high load on the electric grid. The most common sources of electric consumption are: commercial and industrial load, air conditioning load, heating load & lighting load. Below is a listing of common peak trends by season.

Disclaimer: The exact date and time when monthly system coincident peaks will occur is uncertain. We neither make any representations regarding the accuracy of the information presented herein nor accept any responsibility for actions you may take, or not take, in reliance upon it.

- January – March: In the absence of Holiday lighting, the peak typically occurs during the coldest weekday hour, whether that be in the morning 7am-12am or in the evening 5pm-7pm.
- May – September: Peak hour often occurs on the warmest weekday. The peak hour during these months typically occurs between 1pm-5pm.
- November - December: Peak hour often occurs on the coldest weekday. The peak hour during these months typically occurs between 5pm-7pm.
- April & October: As these are shoulder months, load can be driven by either cooling or heating load. As such, the peak hour can vary widely but typically occurs during a weekday between 7am-8pm.

I have more questions about Coincident Peak Demand. How do I find out more information?
Contact Mike Salmons, energy services manager at Rock Energy, with any additional questions. He can be reach by calling 866-752-4550 or emailing MikeS@rock.coop.