

# What is Demand?

The rate at which energy is consumed in a specific period of time - 1 hour

**1** SIEC Members are **ONLY** charged on-peak demand rate for their highest 1 hour of energy use for the month occurring within the hours 7:00am to 8:00am & 4:00pm to 8:00pm, Monday-Friday.

**2** The highest simultaneous electric use of ALL SIEC members occurs within the SAME hours indicated above. This is our SIEC system peak which accounts for 50% of the monthly charge paid to our supplier.

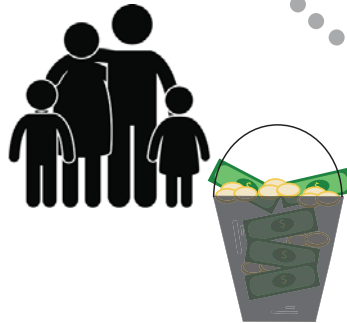
**3** Each SIEC member's highest 1 hour of electric use established during the on-peak hours each month is the energy capacity "DEMANDED" to be instantly available.

**SIEC members have always paid for demand, they just didn't know it!** It wasn't a separate line item on the bill because it couldn't be measured. The price paid for demand (available energy capacity required) was **EQUALLY SHARED** among ALL members regardless of their electric use. Now, thanks to new meter technology, we can ensure fair distribution of system demand costs to each member for the electric capacity that they want during the on-peak hours. SIEC members have control!

## Why will there be a new on-peak demand charge on my bill?

In one word, **FAIRNESS**. The biggest expense for the SIEC electric distribution system is the cost of power. Our monthly bill consists of a charge for energy (kwh), which is "how much", and 2 demand components (kw) which is "when" or the "on-peak time of use". By extending these costs to our members in the same way, members who contribute less to the system on-peak demand will pay less than in the past while those that contribute more will now pay their **FAIR** share. But remember, this is only during 5 hours each day (Monday-Friday) or 15% of all possible hours for electric use!

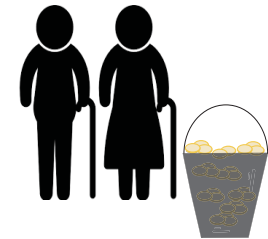
Family of 4 Working Outside the Home



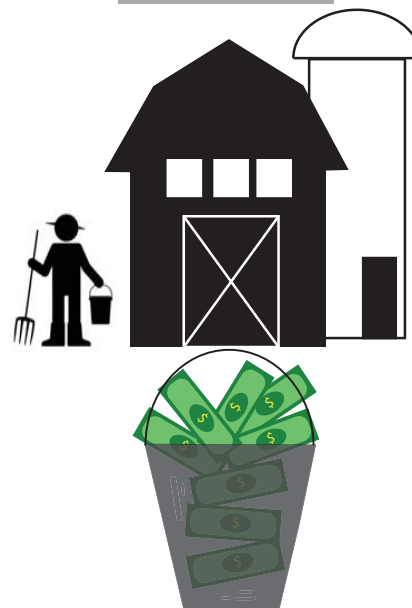
2016 SIEC Demand Bucket  
**\$3,460,036**  
Paid to Supplier

How BIG is YOUR demand bucket?

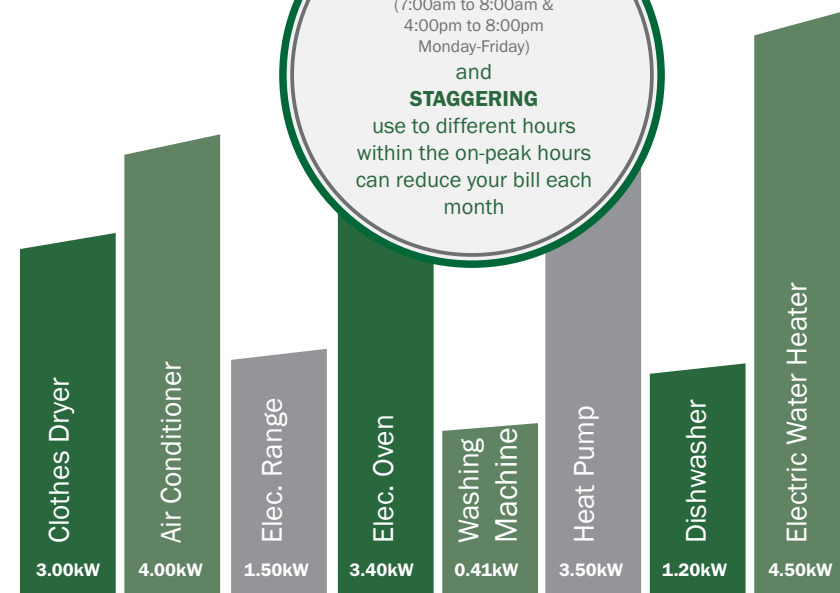
Retired Couple Downsized Home



Large Farming Operation



**SHIFTING**  
electric use outside the on-peak hours (7:00am to 8:00am & 4:00pm to 8:00pm Monday-Friday)  
and  
**STAGGERING**  
use to different hours within the on-peak hours can reduce your bill each month



# Demand Rates



HOW BIG IS YOUR DEMAND BUCKET?



## Think of it this way...

A farmer might only need a 75 horsepower tractor 80% of the year to take care of his farming needs. However, 20% of the year, during hay season, he needs a 100 horsepower tractor to pull his round baler. Most likely the farmer will buy a 100 horsepower tractor so when he “demands” that “capacity” he will have it. This is similar to how demand works in electric distribution systems. Our supplier’s power plants have the “capacity” to supply all of our member’s highest electric demand every hour and every day of the year, so when you flip the switch the lights come on!

Another way to look at it...Think of your internet service. When one person streams a movie or television show on a device in your home, the stream works fine. But as additional people in your home attempt to stream video at the same time, more bandwidth is needed. Electricity demand is similar. As more appliances in your home run simultaneously, your demand for power increases.

**YOU  
HAVE  
A VOICE  
WITH  
US**

**Introducing  
On-Peak  
Demand Rates**


**Ensuring All Members Pay  
Their “Fair” Share**



**ON-Peak  
Hours  
7 - 8 a m  
&  
4 - 8 p m**



**Southern Iowa  
Electric Cooperative**

A Touchstone Energy® Cooperative 

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