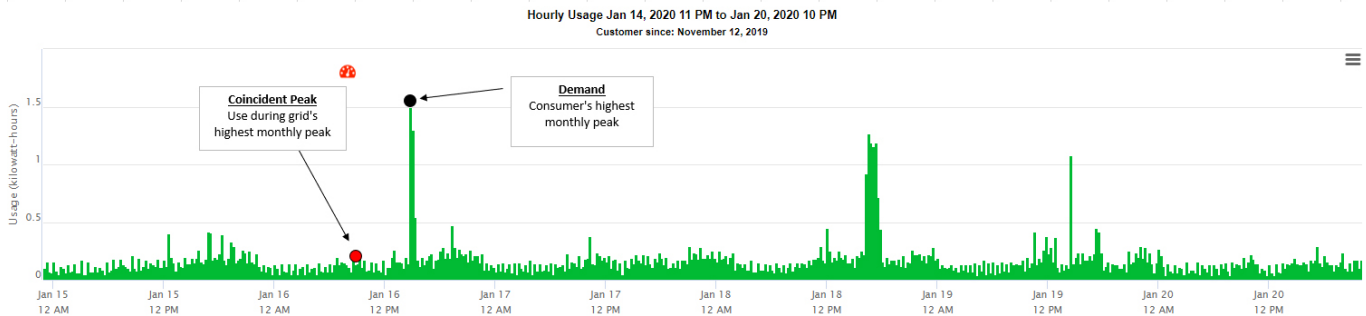


UNDERSTANDING COINCIDENT PEAK DEMAND

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 60-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 Demand hour.



Why have a Coincident Peak Demand charge?

Coincident Peak Demand charges mirror what our power provider, charges Stearns Electric Association.

Am I currently billed a Coincident Peak Demand charge?

No, this method is only used when a Commercial, Industrial or Agricultural member enrolled in our voluntary Interruptible Program does not eliminate or curtail their electric load.

Are Coincident Peak Demand charges unique to Stearns Electric Association?

No. Coincident Peak Demand billing is commonly used throughout the electric utility industry.

How can Coincident Peak Demand charges be eliminated?

While the Coincident Peak occurs only 12 hours each year, it is often a significant portion of the bill. To eliminate Coincident Peak Demand charges, members enrolled in the Interruptible Program are required to reduce the electricity they use based off the Load Interruption Options (LIO) included in the Interruptible Program Agreement during that one hour each month when load control is deployed.

- **When is that one hour?** It varies and is not known until the end of each month.
- **Since I don't know when that one hour occurs, how can I attempt to reduce my need for electricity?** Upon request by the Member to the Cooperative, the Cooperative, a Cooperative designated representative, or Great River Energy will provide advance notification of control periods to the Member on days that load control is required. Notifications will be sent at least 30 minutes prior to a control period by either telephone, email or other electronic notification means using the contact information provided by the Member. **It is the Member's responsibility to provide accurate contact information to the Cooperative and to notify the Cooperative when changes to the Member's contact information is necessary.**

I have more questions about Coincident Peak Demand charges. How do I get more information?

Contact John Pantzke, Manager of Energy Services, with any additional questions. He can be reached by phone at (800) 962-0655 or by email at jpantzke@stearnslectric.org.



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