



**Customer Driven.
Community Focused.SM**

UNDERSTANDING DEMAND CHARGE



WHAT IS DEMAND?

Demand is the maximum flow of power used at any one time by a customer and is measured in kilowatts (kW) by an electric demand meter. The highest level of electric demand during a billing month is called the peak demand. Demand charges can be a significant part of a business' utility bill.

Austin Energy must have enough power generated at all times to meet its customers' peak kW demand. The higher the overall peak demand on the electric system, the more generation capacity and transmission and distribution infrastructure is required.



Demand Charge (\$/kW)*

Secondary Voltage < 10 kW	NA
Secondary Voltage ≥ 10 < 300 kW	\$4.19
Secondary Voltage ≥ 300	\$6.40
Primary Voltage < 3 MW	\$7.00
Primary Voltage ≥ 3 < 20 MW	\$9.17
Primary Voltage ≥ 20 MW	\$10.37
Transmission Voltage	\$12.00

*As of 11/01/2021.

DEMAND CHARGE

The Demand Charge recovers fixed production costs related to building and maintaining Austin Energy's electric system. A Demand Charge is applied to all commercial customers with an average summer — June through September — peak demand of 10 kW and higher.

Using a Demand Charge best reflects the way in which costs on the Austin Energy system are incurred and provides an incentive for our customers to decrease their load by making energy efficiency improvements or by leveling their demand. To calculate the demand portion of your bill, multiply the demand charge according to your customer class by the total peak demand (in kW) for the billing period.

PEAK DEMAND

Peak demand is the maximum amount of power required by a facility at any one time during a billing period. It is measured on the meter in kW and is set back to 0 after each monthly reading. Peak demand appears on the bill as Demand Usage and is charged at varied rates according to your customer class.

For more information about understanding demand charge and demand meters, contact us at **512-494-9400**.



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SOME TIPS FOR LOWERING YOUR DEMAND

- Minimize the simultaneous operation of high-wattage equipment, and consider alternate cycling of air conditioning compressors and air handlers. Avoid concurrent operations when possible, if you have multiple HVAC (heating, ventilation, and air conditioning) systems.
- Have HVAC equipment inspected and serviced, if necessary, so that your system runs with maximum efficiency.
- Turn off lights, personal computers, copiers, etc. when they are not being used for extended periods of time. This will help control the amount of heat emitted by these appliances, reducing runtime for your air conditioning unit.
- Install energy-saving, high-efficiency and low-wattage lighting.
- Consider the installation of solar screens and film on windows facing east, west or south.
- Take advantage of Austin Energy's Commercial energy efficiency rebate program. Visit [austinenergy.com](https://www.austinenergy.com) for more information.

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