



## Understanding Demand Charges on your BCEC Bill

### What is Demand (kW)?

Demand is the rate at which a member uses electric energy. One kW is 1,000 watts, and one kWh represents one kW (1,000 watts) used over one hour. Two members can use the same amount of energy, but one might use it slowly (for example, one kW over the course of an hour) and the other much faster (for example, one kW in 15 minutes). The first member put one kW of demand on our system; the second put four kW of demand on our system, since they used the energy four times faster. It costs BCEC more to serve the second member because greater capacity must be available for them to be able to consume the energy quickly.

### What is the Demand Charge?

Demand Charges on your Big Country Electric Cooperative (BCEC) bill recover costs associated with fixed capacity-related distribution equipment sized to meet a member's peak demand, or maximum usage at a specific point in time. Capacity is the potential for consuming power by an electric load, measured in kilowatts or kW shown on your bill. Costs to build and maintain a distribution substation would be an example of capacity-related fixed costs, as well as the remaining fixed costs to purchase, operate and maintain lines and transformers not already recovered in the monthly flat Facility Charge.

### Here are a couple of analogies to help illustrate electric demand vs. energy:

