



Large Power Rate change FAQ

The Large Power Rate changes will take effect on January 1, 2022.

The 4CP Demand for 2023 will be captured during the summer months of 2022 (June, July, August, and September).

Why is the Large Power Rate changing?

These changes are based on the results of the 2020 cost of service study and [PEC's Rate Policy](#), which outlines our goal to provide cost-based, stable, and equitable (limiting cross-subsidization) rates. PEC establishes rates based on the actual cost of providing service, usage, and demand. This provides members an opportunity to adjust their usage and potentially reduce their bills.

PEC's costs fluctuate depending on the time of day. With advancements in metering and billing capabilities, members can now more accurately be billed based on the time of their use. This means, those who choose to conserve during summer peaks will see lower bills because PEC's costs are higher during that time.

What aspects of the rate are changing?

Demand kilowatt (kW) Threshold:

The demand threshold, which determines if a member qualifies for the Large Power Service Rate, will be lowered from 75 kW to 50 kW. Therefore, if the member's maximum hourly demand within a rolling 12-month average is 50 kW or above, the member will be reclassified to Large Power.

Base Power - Flat Charge to Time of Use (TOU) Charges:

All Large Power members will be placed on the Base Power Time-of-Use (TOU) Charge instead of the Base Power Flat Charge.

Delivery Charge:

This charge is being removed. The costs that were recovered with this charge will be recovered in the Peak Demand Charge.

Capacity Demand Charge:

This charge is being replaced with the Peak Demand Charge.

Peak Demand Charge (New Charge):

The Capacity Demand Charge and the Delivery Charge will be replaced by the Peak Demand Charge.

The Peak Demand will be measured as the maximum hourly kW consumed during the peak time periods of the day, which are 5:01 a.m. to 8 a.m. and 4:01 p.m. to 7 p.m. during non-summer months and 12:01 p.m. to 8 p.m. during summer months. The peak



demand will be reset monthly and a new peak will be established. The peak time periods are the same as the peak and super peak time periods in the Base Power Time-of-Use (TOU) Charges.

Transmission Cost of Service (TCOS) Charge:

This charge will change from an energy kilowatt-hour (kWh) based charge to a demand (kW) based charge. The demand (kW) used for this charge will be the member’s previous summer’s Four (4) Coincident Peak (4CP) as defined below.

Four (4) Coincident Peak (4CP) – The measure of PEC’s total energy demand when the statewide transmission system experiences the most overall demand—the four “peaks”—each summer. The four peak events occur once each month in June, July, August and September.

The Transmission Cost of Service Rate, which is multiplied by a member’s 4CP beginning in 2023 (measured in 2022), will be the monthly rate charged to a member for access to the transmission system. This rate will fluctuate slightly throughout the year.

For additional detail on the rate please see the [Large Power Rate webpage](#)

How will my bill be calculated?

The charges on your bill are calculated by multiplying the charge or credit amount (\$) by the measurement of power consumed, called the billing determinant, typically measured in kilowatts (kW) or kilowatt-hours (kWh).

The new rate will include the following charges:

| Charge | Amount | Billing Determinant | How the billing determinant is measured |
|------------------------------------|-----------|----------------------|--|
| Service Availability Charge | \$ 150.00 | Monthly, per account | Per month |
| Peak Demand Charge | \$ 6.50 | Peak Demand, per kW | During the non-summer months: the maximum hourly demand measured in kilowatt (kW), captured during peak time periods (5:01 a.m. to 8 a.m. and 4:01 p.m. to 7 p.m.), rounded to nearest hundredths. During Summer months: the maximum hourly demand measured in kilowatt (kW), captured during Peak and Super Peak time periods (12:01 p.m. to 8 p.m.), rounded to nearest hundredths. |



| | | | |
|--|---------------------------------------|--|--|
| | | | The peak demand will be reset monthly and a new peak will be established. |
| Base Power Charge | Varies per TOU (see Base Power table) | Delivered Energy per TOU period, per kWh | The total sum of Delivered Energy by TOU time periods, rounded to the nearest whole number. |
| Transmission Cost of Service Charge | ~ \$ 5.00 | 4CP Demand, per KW | The average demand measured during each 15 minute 4CP intervals. PEC will begin measuring 4CP Demand during the 2022 summer months (June, July, August, and September). |

Why are these charges necessary?

Service Availability Charge:

This charge recovers the minimum cost associated with delivering service to every meter on our system, including billing, metering, collections, customer service, and other enterprise costs.

Peak Demand Charge:

This line item recovers the cost associated with the maintenance and operations of the distribution infrastructure and other related costs. Those include installing, operating, and maintaining the distribution lines, transformers, substations, and meters that make up the distribution grid connected to your location.

Base Power Time-of-Use (TOU) Charge:

This reflects the actual cost of the power you purchase and other costs connected to the development and management of PEC's power supply.

Transmission Cost of Service Charge:

This line item reflects the cost incurred for accessing the state's transmission system to deliver power. For more information please see the additional information sheet on the last page.



What are the Time-of-Use periods and charges?

TOU charges are calculated using the following rate table:

| Base Power Cost Rates | | | |
|---|---------------|--|---------------------------------------|
| Season | Rate Schedule | Hours | Current Base Power Cost Rate (\$/kWh) |
| Non-Summer (January – May and October – December) | Super Economy | 2:01 am – 4:00 am | \$0.030616 |
| | Economy | 11:01 pm – 2:00 am 4:01 am – 5:00 am | \$0.037529 |
| | Normal | 8:01 am – 4:00 pm 7:01 pm – 11:00 pm | \$0.042449 |
| | Peak | 5:01 am – 8:00 am 4:01 pm – 7:00 pm | \$0.045680 |
| Summer (June – September) | Super Economy | 3:01 am – 5:00 am | \$0.030398 |
| | Economy | 11:01 pm – 3:00 am 5:01 am – 7:00 am | \$0.031940 |
| | Normal | 7:01 am – 12:00 pm 8:01 pm – 11:00 pm | \$0.035883 |
| | Peak | 12:01 pm – 2:00 pm 6:01 pm – 8:00 pm | \$0.046863 |
| | Super Peak | 2:01 pm – 6:00 pm | \$0.088620 |

**Please note that regular monthly charges apply (service availability charge, delivery charge, etc.)*

Will most members see an average increase or decrease?

The new rate is designed to send accurate price signals. The impact to members will be specific to the individual member and will be based on the member’s usage patterns.

How can I control my costs?

All components of the rate besides the Service Availability Charge, which is a fixed monthly charge, provide members with the opportunity for controlling their costs.

- The Base Power TOU Charge will provide a member the opportunity to shift usage outside of peak hours to reduce their electricity costs per kWh.
- The Transmission Cost of Service Charge alerts provide members the opportunity to conserve during summer peak intervals when the Cooperative’s transmission charges are established for the following year. Conserving when alerted during peak times helps reduce the TCOS charge for next year, benefiting all members. PEC can provide forecasts to assist members in signaling days where there is increased potential for a 4CP event. Members who wish to receive these alerts can contact PEC’s Commercial & Industrial Accounts Team to sign up at commercialaccounts@peci.com.
- The Peak Demand Charge will provide a member the opportunity to reduce their costs by limiting their usage during the monthly peak and super-peak time periods.



Where can I get more information?

If you have questions, feel free to contact our [Industrial and Commercial Accounts Team via email](#).

Additional Information

Historic TCOS Information

Historic 4CP Events (dates and times) with 4CP Demand Calculation Example

| Jun-18 | Jul-18 | Aug-18 | Sep-18 | 2018 Average 4CP Demand |
|---------------|------------------|------------------|------------------|-------------------------|
| 6/27 4:45-5PM | 7/19 4:45-5PM | 8/23 4:45-5PM | 9/19 4:15-4:30PM | |
| 2.00 kW | 2.5 kW | 4.00 kW | 1.50 kW | 2.50 kW |
| Jun-19 | Jul-19 | Aug-19 | Sep-19 | 2019 Average 4CP Demand |
| 6/19 4:45-5PM | 7/30 3:45-4PM | 8/12 4:45-5PM | 9/6 4:45-5PM | |
| 3.00 kW | 5.00 kW | 4.00 kW | 2.00 kW | 3.50 kW |
| Jun-20 | Jul-20 | Aug-20 | Sep-20 | 2020 Average 4CP Demand |
| 6/8 5:45-6PM | 7/13 4:30-4:45PM | 8/13 4:30-4:45PM | 9/1 2:30-2:45PM | |
| 1.00 kW | 1.00 kW | - 1.50 kW | - 0.50 kW | 0.00 |

Historic TCOS Rates

| | | | | | | | | | | | |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Jan-18 | Feb-18 | Mar-18 | Apr-18 | May-18 | Jun-18 | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 |
| \$ 4.44 | \$ 4.45 | \$ 4.46 | \$ 4.46 | \$ 4.36 | \$ 4.38 | \$ 4.37 | \$ 4.36 | \$ 4.38 | \$ 4.50 | \$ 4.51 | \$ 4.51 |
| Jan-19 | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 |
| \$ 4.49 | \$ 4.53 | \$ 4.54 | \$ 4.57 | \$ 4.60 | \$ 4.59 | \$ 4.59 | \$ 4.59 | \$ 4.59 | \$ 4.64 | \$ 4.64 | \$ 4.66 |
| Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 |
| \$ 4.65 | \$ 4.65 | \$ 4.65 | \$ 4.71 | \$ 4.67 | \$ 4.75 | \$ 4.73 | \$ 4.73 | \$ 4.79 | \$ 4.84 | \$ 4.89 | \$ 4.88 |