



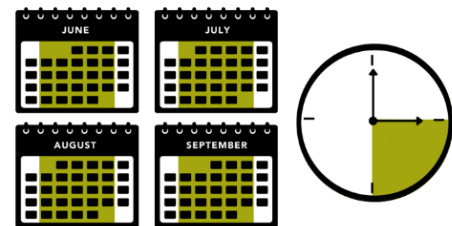
PEAK DEMAND

Action during peak demand can save money

Municipalities and school districts have the opportunity to play an important role in the operation of the electric grid by reducing or shifting electricity usage during times of Peak Demand. By participating in Peak Load Management programs during peak hours, municipal customers can reduce capacity-related pricing and receive payment for energy reduction performance.

WHAT IS PEAK DEMAND?

Peak Demand occurs during the hour in which an electric grid experiences its highest electrical demand – typically the hottest hour of the hottest day of the year.

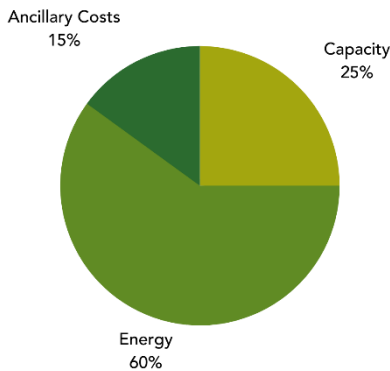


1. When does peak demand occur?

Historically, Peak Demand days have occurred in the heart of summer (June to September), usually on weekdays between the hours of 3PM and 6PM.

2. What are peak demand charges?

On peak demand days, the electric grid operator assigns each customer a “tag” based on each of its facility’s total kilowatt hours used during the peak hour of the peak day of the year. This is often called a “Capacity Tag” (ICAP) or “Peak Load Contribution” (PLC).



Though it is often not a line item on your bill, you are responsible for paying these capacity costs each month. Depending on your load factor, capacity costs can make up anywhere between 15% and 45% of your overall energy supply costs. Capacity costs are considered by suppliers when offering electric supply pricing and in most cases bundled into your fixed rate supply agreement. Some customers choose to pass through their capacity costs, which are billed separately as a fixed dollar amount on each bill throughout the course of a capacity planning year – which runs from June 1st to May 31st of each year. In either case, you pay these capacity costs.

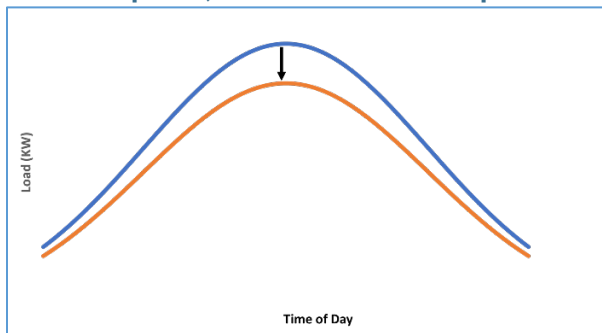
Electricity cost components

3. Lower your capacity tag and save money.

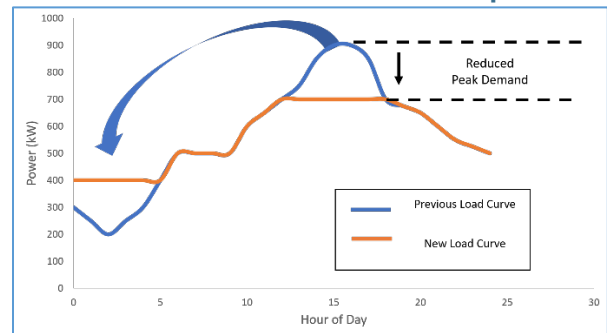
Once you receive a Peak Demand notification from Titan Energy, your ability to earn and save money is at your fingertips. By temporarily reducing and shifting your electricity usage, you can lower your capacity tag for the following year – thereby improving your load profile and potentially lowering your next fixed rate supply price while earning you Demand Response payments.

It is vital to have an experienced energy management consultant like Titan Energy to help design, implement and report on your strategic reduction plan, ensuring your curtailment plan is realistic and your earnings are correct.

Traditional efficiency reduces overall consumption, but does not shift peaks



Peak demand reduction lowers peaks, but does not reduce net consumption



4. Actions to help reduce demand can be simple.

Titan Energy helps you plan for a specific electricity reduction strategy. After running an analysis on your facility’s historical electricity load, we identify a few key areas where you can curtail energy but still meet your operational needs. Examples include adjusting non-essential lighting, adjusting building thermostat temperatures, or temporarily shutting down machinery. We can be creative, including use of backup storage, backup generators or solar plus storage to minimize demand at peak times.