

## How to Read Your Electric Bill

### Overview

Knowing how to read your electrical bill is key to streamline your fleet's charging and minimize costs where possible. This guide will inform you on common billing practices and familiarize you with your fleet's electricity payment structure.

### Demand Charges

**Demand charges**, a common element of some bills, are calculated based on the highest electricity usage (in kW) in a single billing cycle. These additional charges account for the costs of generation, transmission, and distribution associated with higher levels of power supply. High demand often results from many vehicles charging or fueling simultaneously. Spacing out charging or fueling events over longer time intervals may lower total demand and reduce demand charges.

**On your bill**, demand charges may be listed as "System Infrastructure Fixed Charge," "Non-Coincident Demand" or a similar phrase.

### Time-of-Use Rates

Unlike demand charges, time-of-use (TOU) rates vary by season, not by customer. Fleets should check their electricity rate structure to verify whether or not they take advantage of a time-of-use option.

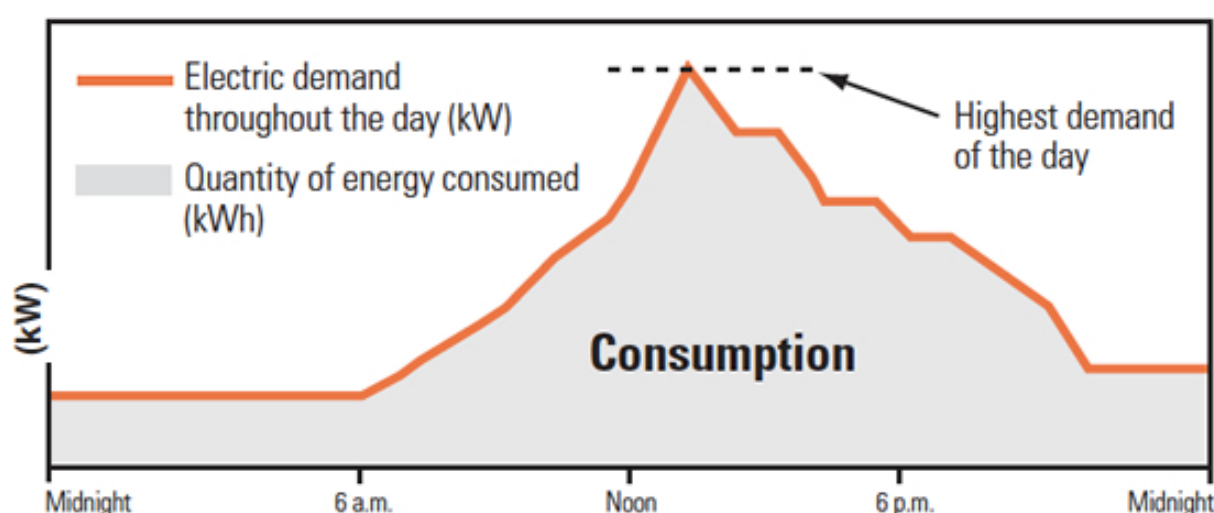
**TOU Schedule:** instead of paying a fixed cost based on total electricity usage, TOU customers pay higher electricity prices during certain times of day (most often from M-F from 4 PM - 9 PM or 5 PM - 8 PM) and during the summer months.

**Avoid Peak Hours:** These plans encourage rate payers to shift their energy usage to off-peak hours of the day when the energy grid is experiencing lower overall demand and less stress. For TOU ratepayers, electricity bills will provide information on off-peak versus on-peak electricity usage (measured in kWh). If your fleet falls under a TOU plan, consider charging your vehicles during off-peak hours (such as during the school day or after 9 PM) to avoid paying higher costs. Charge management software can even automate this process for you.

### Facts and Figures

**Peak Hours:** The figure below shows total energy consumption in grey (the area below the curve measured in kilowatt-hours (kWh)) and electric demand in orange (measured in kW) versus time of day. Overnight, this customer's energy consumption is low, and consumption increases in the morning with the highest demand occurring in early afternoon. Consumption and demand remain relatively high until late evening.

**Adjusting Energy Usage:** Shifting some of your energy usage to off-peak hours such as morning or night could easily reduce the peak demand shown here, reduce the potential for demand charges, and shift usage away from on-peak hours to take advantage of times when electricity is less costly. This can sometimes be done manually by choosing when to plug or unplug electric vehicles. However, it is most often accomplished through a managed charging system where software controls when vehicles receive energy, and when they do not.



Electric demand and energy consumption in a single day. Shifting usage away from the highest demand or on-peak hours could reduce overall energy costs.  
(Figure from *We Energies*)

**A Note on Charge Management:** A number of third-party providers offer charge management software solutions, some requiring an application fee to initiate service. Engage with your vehicle and charger manufacturers to inquire about suitable options.

For more information on reading your electrical bill, contact your utility.



## Contact Us



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