Demand: Frequently Asked Questions

Why does Demand matter?

Since electricity cannot be stored, TVA must generate and supply electricity to you as you need it – instantly, day or night, in extremely variable amounts. There must be enough system capacity available to meet your peak energy demands during periods when the need for electricity is the highest.

What is Demand?

Demand is a measurement of how much energy is used at the same time. As you turn on more lights, appliances, and electric heating or cooling equipment, you are increasing your individual demand or rate of use. The Demand charge is based on the highest period of electricity use during each monthly billing cycle.

How can you reduce your Demand?

Demand is all about timing. The more power you use at once, the higher your Demand reading will be. In order to reduce Demand, one approach is to stagger the use of equipment that pulls large amounts of power. By using the equipment at different times rather than simultaneously you reduce the amount of power being requested from the grid at that specific time, thereby lowering the meter's Demand reading.

How is Demand measured?

The meter you currently have at your location measures Demand. The interval for calculating Demand is a rolling 30 minute interval. During each 30 minute window the meter keeps track of the total amount of energy consumed and divides that energy over the 30 minute time period. Therefore, staggering the use of electricity so that a large amount of energy is not consumed within the same 30 minute window will lower your Demand.

How is my Demand determined for billing?

As stated above, Demand is recorded in 30 minute intervals. Upon the completion of each day, the highest 30 minute reading for the day is sent from your meter to billing. There the daily peak readings are held until the billing period is complete, at which time the highest daily peak is selected for billing. Since Demand is a measure of capacity needed at any one specific time, the highest reading is used in order to recover the cost for that required capacity.