



UNDERSTANDING DEMAND CHARGE

What Is Demand?

Demand is the amount of electrical power a customer uses at any given moment, measured in kilowatts (kW) using a demand meter. At the system level, demand is the rate at which Austin Energy must deliver power to a customer to keep the customer's electrical devices running. The highest level of demand that an individual customer puts on the system is called **peak demand**.

Austin Energy does not know when a customer is going to need the most power. Instead, we build out the system — power plants, transmission lines, distribution lines and so on — with enough capacity to meet all customers' demand at all times. Building and maintaining system capacity is costly and requires scarce raw materials and specialized staff.

How To Calculate The Demand Portion Of Your Bill:

1

Find the demand charge for your customer class on the table below.

2

Multiply the demand charge by your total peak demand (in kW) for the billing period.

Commercial Rate Class	Demand Charge* (per kW)
Secondary Voltage 1 (<10kW)	N/A
Secondary Voltage 2 ($\geq 10 < 300$ kW)	\$9.83
Secondary Voltage 3 (≥ 300 kW)	\$12.56
Primary Voltage 1 (< 3 MW)	\$12.56
High Load Factor Primary Voltage 2 ($\geq 3 < 20$ MW)	\$14.66
Primary Voltage 2 ($\geq 3 < 20$ MW)	\$15.30
High Load Factor Primary Voltage 3 (≥ 20 MW)	\$15.74
Primary Voltage 3 (≥ 20 MW)	\$16.24
High Load Factor Transmission Voltage	\$12.10
Transmission Voltage	\$14.21
High Load Factor Transmission Voltage (≥ 20 MW)	\$12.10

* As of 11/1/2025



Demand Charge

Austin Energy applies a demand charge to all commercial customers with a peak demand of 10 kW or more during the summer months. The demand charge helps Austin Energy recover the cost of building and maintaining system capacity. It also encourages customers to decrease their load through energy efficiency improvements or spread their load throughout the day, leveling out their demand.





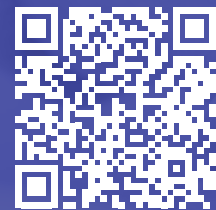
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Tips for Lowering Your Demand

- Avoid running multiple high-power devices at the same time. Consider alternate cycling of air conditioning compressors and air handlers. If you have multiple HVAC systems, avoid running them at the same time when possible.
- Have HVAC equipment inspected and serviced to keep your system running efficiently.
- Turn off lights, personal computers, copiers, etc. when they are not being used for extended periods of time. This will help control the amount of heat emitted by these appliances, reducing runtime for your air conditioning unit.
- Install energy-saving, high-efficiency and low-wattage lighting.
- Consider installing solar screens and film on windows facing east, west or south.

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For more information about understanding demand charge and demand meters, please contact us at 512-494-9400.