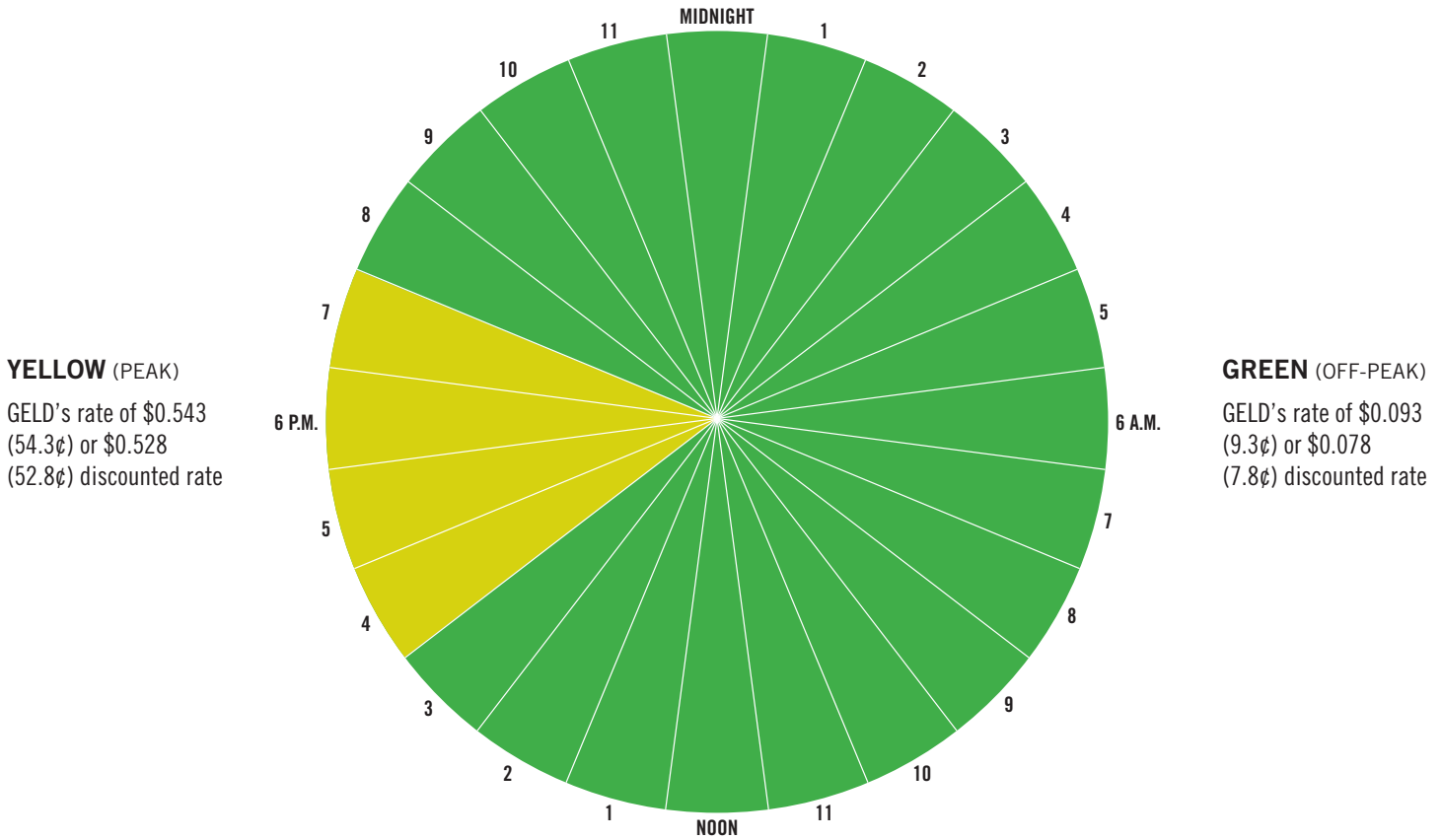


GELD's New Time Of Use Rates

The generation charge is **5¢** per kilowatt-hour (kWh) for off-peak hours; **50¢** per kWh for peak hours



20 hours per day at the low rate. 4 hours per day at the high rate.

Questions

Since last month's newsletter, many customers have requested information to understand the new time of use rate more completely. We will try to answer the most common questions in this newsletter.

The generation charge of **5 cents** off-peak and **50 cents** peak will not be the only part of your bill. It will be the full energy portion of your bill. There will still be a monthly customer charge (\$6.25) and the distribution charge (\$0.043/\$0.028-discounted).

The monthly customer charge and distribution charge cover ALL GELD costs from the substation to your home, while the generation charge represents all our costs outside the substation. Our transmission costs are

being rolled into the generation portion of the bill for the time of use rates.

In the past GELD had a different 0-500 kilowatt hour (kWh) rate and 500+ kWh rate. This two-tiered rate design was initiated due to the savings GELD receives from the New York Power Authority (NYPA) for the "preference power" generated by the dams near Niagara Falls. Since the dams are federally regulated and licensed, New York is required to share the power from these dams with their neighboring states. Long ago, GELD made the decision to apply these savings to the first 500 kWh of electric use which maximizes their benefits to our seniors and lower income customers.

Things to know and ways to save with the new Time of Use rate

How your thermostat is set or programmed can make a huge difference in your evening electric usage.

By increasing the temperature of your home a few degrees in the summer there is minimal effect on lowering evening energy usage.

Raising the temperature ALL day, will give you lower electric usage around the clock, but the way it is used over the course of the day will maintain the same use profile.

To **lower electric use** during the key peak hours—4 to 8 pm—it requires a *change in temperature*.

The air conditioning compressor is the primary driver for electric use, and for the compressor to run less during the key hours, the temperature in the house will be rising.

A very effective way to take advantage of this is to pre-cool the house from 2 to 4 pm. If the house is a few degrees cooler than your ideal environment at 4 pm, then it is possible to let the temperature rise from 4 to 6 pm to a point where it is only a few degrees warmer than ideal and then to bring the temperature back down to your ideal at 8 pm.

This process works in reverse during the winter, where the house gets pre-heated a few degrees from 2 to 4 pm, then allow the temperature to drop a few degrees from 4 to 6 pm.

Do your laundry and run your dishwasher outside of those peak hours.

Program pool pumps and EV chargers anytime but 4 to 8 pm.

Pumps and compressors are the largest energy users. Timers can be used to shift high energy use to other times of the day.

Why Time of Use?

The way our time of use rate was designed, our average customer with an average-use profile will see **a minimal change in the dollar amount of their monthly bill**. Customers who do not use a lot of power between 4 pm and 8 pm and customers who can shift their electric use out of that time period will see their electric bills drop. Customers who use a lot of power during those hours would be paying *their true cost of power* which could be substantially higher than what they are paying now.

This time of use rate structure accomplishes multiple things in the ever-changing world of energy. It addresses a fair rate structure and assigns costs to those customers using the electricity during those peak times. It also gives those same customers a way of reducing their costs by shifting use out of the peak times. For

example: Electric Vehicles (EVs) can draw substantial amounts of electricity when customers use fast chargers (aka Level 2 chargers). Customers who can charge EVs during the 20 hours a day when costs are low would pay those lower costs (9.3¢-7.8¢ discounted per kilowatt hour), while customers who need to charge during the peak hours of 4 to 8 pm would pay those peak generation costs (54.3¢-52.8¢ discounted per kilowatt hour). This rate would also incentivize customers interested in energy storage (such as batteries or power walls) to use that storage in a way that would benefit both themselves and GELD.

Additional Resources

Rates how to make them fair in the future <http://www.grotonelectric.org/geld-november-2019-newsletter/>

2022 Fuel Mix for Energy Purchased by Groton Electric

