

FREQUENTLY ASKED QUESTIONS

# Take Control of Your Transmission Charges and Save Thousands

Texas organizations’ transmission charges have increased more than 50% over the last five years and more than doubled compared to rates ten years ago. Did your business pay more than its fair share of transmission charges?

Those that can strategically lower their demand during system peaks can drastically reduce their transmission charges, saving approximately \$45,000 per MW reduction. Enel X delivers the tools and guidance you need to predict system peaks so you can minimize transmission costs with minimal impact on operations.

## What is a transmission charge?

The grid operator must ensure that adequate generation is available to meet system peak demand each year, and the associated costs get passed along as transmission charges on your electricity bill. These transmission charges are typically labeled “Transmission Service Charge” and “Transmission Cost Recovery Factor,” and they appear in the utility charges portion of your bill.



## How are transmission charges calculated?

Transmission charges are not based on the amount of energy you use during a given month. Instead, transmission charges are determined by the amount of energy you used during a 15-minute period on the highest demand days of the previous year.

The Electric Reliability Council of Texas (ERCOT) sets your transmission charge by measuring your energy usage during the “four coincident peak demand” (4CP) intervals. These 4CP intervals represent the times between June and September when the grid was most stressed.

## How does 4CP impact my organization?

You stand to significantly reduce your transmission charges for a full 12 months if you accurately anticipate system peaks and reduce your load when the grid needs it most. Organizations that reduce 1 MW of demand during peak hours can save more than \$45,000 the following year.

## What types of energy reduction measures can I take?

Enel X has extensive experience creating energy reduction strategies that work within the operational limits of a wide variety of sites, including cold storage, manufacturers, food processors, universities, malls, office buildings and more.

Common reduction examples include:

- > Reduce non-essential lighting
- > Modify manufacturing processes
- > Adjust HVAC equipment
- > Dial back pumps
- > Change settings in industrial freezers

Ask about our experience working with customers like you.

## How does Enel X's System Peak Predictor work?

Our market analysts assess the probability of a system peak every day. If the probability is high, we notify you. The more you can reduce energy usage during peak periods, the lower your 4CP charges will be the following year.

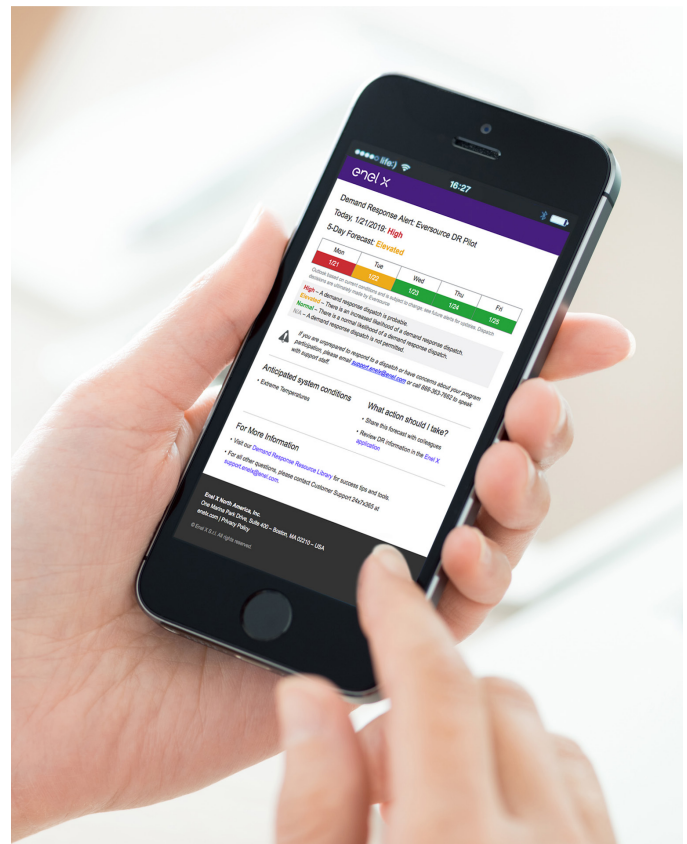
1. **Monitor:** Combining our proprietary predictive analytics (based on the more than 1 billion points of energy data we collect each month) with externally-sourced weather and market data, we continually monitor the market to assess the likelihood of a system peak.
2. **Notify:** During high seasons, we email you by 10:00 a.m. daily, advising you on the probability of a system peak occurring that day. Your color-coded notification will also include an outlook to help you and your staff plan for the week ahead.
3. **Respond:** On high-probability days, existing Enel X demand response customers simply implement their energy reduction plans when notified. If you're not an Enel X customer—no problem. Our team of experts will design an energy reduction plan that works for your site. On low probability days, no action is necessary.

## How often will I be called upon to reduce consumption?

The 4CP intervals typically occur during the hottest afternoons of the summer, Monday through Friday, between the hours of 3:00 p.m. and 6:00 p.m. CST. Historically, Enel X issues high-probability alerts between 10 – 15 days during the year. We know your first priority is running your business, so we strive to minimize interruptions to your normal operations while ensuring the most likely system peak periods are anticipated.

## How do I get started?

We start by performing a tariff analysis to assess your eligibility and determine your potential transmission cost avoidance for the next year. In ERCOT, each customer's local distribution company coupled with their specific rate class will help determine the transmission rates specific to your organization. If your organization is a good fit for our System Peak Predictor, we'll start crafting an energy reduction plan and modeling your savings.



## Why Enel X System Peak Predictor?

- > **Save on your electricity bill**  
Enel X's System Peak Predictor helps you reduce costly capacity charges on your bill.
- > **Maximize your demand response plan**  
Use your existing Enel X demand response plan to leverage additional energy savings.