



For Immediate Release

October 5, 2022

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Progress Muscatine Presents Options for Industrial Energy Customers to Save Between \$65 million and \$130 Million Over 15 Years

At the Muscatine Power and Water September board meeting, Progress Muscatine presented information, combining suggestions from the Iowa Economic Development Authority's (IEDA) Iowa Energy Office, Energy Action Plan May 2019¹, and the plan's source material, a paper entitled, "*Energy Management Through Peak Shaving and Demand Response: Opportunities for Energy Savings at Manufacturing and Distribution Facilities*,"² which concluded:

"For large users, such as manufacturing and distribution facilities, the electric bill consists of two components: energy consumption and demand charges. Energy consumption is the total amount of electricity used; demand charges are a measure of the rate at which energy is consumed, and are monthly charges based on the highest 15 minute monthly peak within a 12 month period. Demand charges typically account for 30% to 70% of an electricity bill. And, C&I (Commerical and Industrial) customers can achieve energy savings of 20% to 40% when automated technologies are utilized."

Progress Muscatine board President, Jessica Brackett said, "We took the information and suggestions provided by the state, combined them with the average monthly energy bill for industrial customers, provided on the MPW website. What we found was excellent news for industrial customers. Over a 15 year period, a 20% savings would be \$65 million and a 40% savings is over \$130 million. That's a lot of

money to save on your energy bill.”

Muscatine Power and Water General Manager, Gage Huston, responded, "Even if industrial customers spend their own money, there is still demand related cost, so I wouldn't say it's a fair estimate.”

Brackett was not given the opportunity to respond, but concluded after reviewing the state's research, "Reducing peak demand through peak shaving, through the use of automated technologies and battery storage will make demand charges go down 10% to 30%.

Brackett acknowledges this does not include the capital investment of new infrastructure, but believes, “the projected saving should be enough to prompt industrial customers to look into using automated technologies and storage to offset energy use during peak times. Industry could even use storage without being connected to a renewable energy source, filling the battery when energy costs the least, and dispatching the energy during the most expensive peak times.”

¹ “Energy Storage Action Plan, May 2019”. Iowa Economic Development Authority, <https://publications.iowa.gov/id/eprint/33534>

² “Energy Management Through Peak Shaving and Demand Response: New Opportunities for Energy Savings at Manufacturing and Distribution Facilities,”. Nasser Kutkut, DBA Advanced Charging Technologies Inc., <https://act-chargers.com/wp-content/uploads/2017/03/ACT-White-Paper-Energy-Management-through-Peak-Shaving-and-Demand-Response.pdf>