**Understanding Rising Electric Bills in 2025**

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**DESHLER, OHIO**: The Village of Deshler is a public power community, meaning that the municipality has its own electric utility that is dedicated to serving *you*. While Deshler Municipal Utilities works hard on your behalf, not all aspects of electric industry services are within our control, like the transmission and capacity cost.

Our municipal electric system is connected to a regional transmission system, or a grid, that helps to ensure that the lights stay on, even when demand for electricity peaks on the hottest and coldest days of the year. To do this, power plants are paid to be available to meet demand at all hours of the year. This availability is called capacity and the price paid to each power plant for its capacity is based on an auction process. Think of capacity as a sort of insurance policy for the grid.

In the most recent capacity auction, prices increased significantly, resulting in higher costs for utilities to provide electric service. Many attribute this rise in costs to increased demand for electricity coupled with a shrinking supply. As a result, for our community, it’s expected that the increased cost for capacity will be about 1.3 cents per kilowatt-hour (kWh) higher. This will add about an additional $12/month to customers’ bills, or about $141 over a 12-month period, based on an average usage of 875 kWh a month.

In comparison, our community will see a lower increase than customers of nearby American Electric Power, which recently announced that its customers would see an increase of about $27 a month starting in June.

There are several reasons for this spike in costs:

* **Rising demand:** Nationally, customer demand for electricity is on a steady rise and new, large energy users like data centers, need significantly more electricity for their operations.
* **More regulations:** The government is imposing more regulations on electric utilities to ensure that generators can run in extreme weather conditions and meet environmental requirements.
* **Fewer power plants:** Many electric generators have retired in recent years, and new generation plants are not being built fast enough to fill the gap.

This is a complex issue, but our community’s share of capacity costs is determined by how much electricity we use on the days with the highest electric demand in our region. There are some steps we can take as a community to help control our capacity costs in the future, such as:

* **Exploring options:** We may explore programs and services that could help us mitigate increasing capacity costs in the future. Deshler Municipal Utilities is a Member of American Municipal Power, Inc., which offers a number of programs that could help in that regard.
* **Load management:** We can make strides as a community to manage our electric usage on the coldest and hottest days of the year. You can help in this effort by running appliances in the early morning/late evening when electric demand is lower.
* **Being more efficient:** On an individual level, you can replace older appliances or light bulbs with energy-efficient models, turn off lights and appliances when not in use and keep your thermostat lower in the winter and higher in the summer.
* **Peak alert events**: Reduce electric usage during peak alert events

We understand that rising electric rates impact household budgets and we will always strive to keep your rates manageable. If you have any questions about capacity costs or our utility rates, please reach out to me or our utility office.