To help articulate strategies which address Peak Demand it is helpful to identify them in four categories

1) **Demand Shift**- customer activity which shifts electric use from on peak to off peak (this is not inherently a energy efficiency improvement but can be)
   Example (1)Thermal storage for air conditioning, by operating chillers at night to charge chilled water or ice storage tank electric peak is moved from day prime to night.
   Example (2) Industrial process plant schedules energy intensive activities to second and third shift to move to off peak electric period.
2) **Demand Reduction**- a response by a customer which reduces demand by reducing or eliminating energy consumption in response to system need.
   Example (1) Load shedding of air conditioning, a customer turns off or cycles large compressors, fans or pumps during a peak use time to reduce peak demand.
   Example (2) Large industrial customer interrupts energy intensive process operation during a peak demand event.
   Example (3) Utility air conditioner and or hot water programs to inhibit air conditioner or electric hot water production during peak demand.
3) **Demand Dispatch**- the generation of electric power on the customer side of the distribution system based on a customer decision to proactively manage peak load or in response to a system need.
   Example (1) Retail electric customer operates onsite emergency or standby generator (with correct air permit and emissions control) to reduce electric consumption from grid based on PJM or LDC need often earning DR payments.
   Example (2) Retail electric customer operates onsite generator (with correct air permit and emissions control) to actively manage their demand overall not only in response to PJM or LDC need.
4) **Onsite Power Generation**- the generation of electric power on the customer side of the meter on a continuous basis providing part or all of the customer's electric power. These are typically combined heat and power (CHP) applications and can range from less than 100 kilowatts to greater than 100 megawatts. Common applications include colleges, hospitals, pharmaceutical facilities and large industrial or commercial operations. These distributed resources reduce the demand for grid supplied power but do not reduce the net demand for or use of electric power except where they utilize waste heat to drive otherwise electric driven equipment such as chillers.