

From: [Darren Riggs](#)
To: [Cheryl Bradley](#)
Subject: Re: Inquiry into MECL's General Rules & Regs Re. Demand Charge
Date: Wednesday, March 25, 2026 10:59:59 AM
Attachments: [image001.png](#)

Hi Cheryl

Thank you for getting back to me so quickly.

I am a clean tech efficiency contractor trying to bring technology to market that reduces electrical demand.

The way maritime electric, MECL, bills demand is counter productive to efficiency. Richard Macewen with City of Charlottetown waterworks said to me 'there is no value in reducing our motor's demand when the utility then changes the billing system and takes away our financial savings'.

The present billing system is a disincentive for efficiency and should be modernized.

All commercial customers get an automatic 10% discount off their peak demand charge or .90 of demand(Kva). The utility has the right to charge the greater of .90 of Kva or maximum kw.

Therefore, a commercial customer improving the power quality or power factor value to above 90 % is then charged under the optional higher rate of maximum kw.

Other jurisdictions have changed their billing system to address this inequity. BC Hydro is leading the industry with new minimum efficiency levels for customers to lower demand.

In BC you have to operate at 90% or better without penalty.

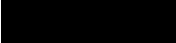
Any operations below 90 is surcharged with a progressive sliding scale rate. BC hydro is that serious about this issue they reserve the right to cut you off for inaction.. I suppose only fair if your affecting power quality in a given area.

They sight four main reasons for the the change in billing procedures.

1. Capacity gain for generation, distribution , and facility.
2. Improved power quality in neighbourhoods.
3. Lower line losses throughout electrical systems. We are 13-17% on PEI.
4. Lower energy costs for the facility .

All benefits we can use here on PEI.

Demand is a big issue for our Island and the crown Corp BC Hydro is leading by example. I am forwarding this information to insure IRAC is aware of the options in marketplace.

Regards
Darren Riggs
CFR Enterprise


Sent from my iPhone

On Mar 25, 2026, at 9:47 AM, Cheryl Bradley <cbradley@irac.pe.ca> wrote:

Hello,

Thank you for your inquiry regarding how demand charges are currently structured for Maritime Electric.

As discussed during our phone conversation this morning, demand charges are set out in Maritime Electric's General Rules & Regulations and applicable rate schedules, which are approved by the Commission.

The Commission currently has a proceeding underway to review and update these General Rules & Regulations. As part of that process, public input is being accepted, and this may be of interest given your comments regarding alternative approaches (such as those you mentioned used in British Columbia that encourage efficiency and savings).

You can find more information on the proceeding, at the following link:
<https://irac.pe.ca/electric/ue22005-mecl-application-and-evidence-for-changes-to-the-general-rules-regulations/>

Comments may be provided in writing to the Commission or by email
cbradley@irac.pe.ca.

If you have any additional questions about the process or how to participate, please feel free to reach out.

Regards,

Cheryl Bradley, CPA, CA

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