

## Improving Load Factor

Your company could increase efficiency by improving load factor.

**Increasing your load factor will reduce the average unit cost (demand and energy) of the kWh. Depending on your situation, improving your load factor could mean substantial savings.**

**The load factor corresponds to the ratio between your actual energy consumption (kWh) and the maximum power recorded (demand) for that period of time.**

### WHAT IS LOAD FACTOR?

$$\frac{\text{Consumption (kWh) during the period} \times 100}{\text{Demand (kW) x hours in that period}}$$

By analyzing your load profile and your needs, you may be able to improve your load factor by doing the following:

#### **A. Demand Reduction**

Reduce demand by distributing your loads over different times or by installing load management systems.

#### **B. Increase Production**

Keeping the demand stable and increasing your consumption is often a cost-effective way to increase production while maximizing the use of your power.

*In both cases, the load factor will improve and therefore reduce your average unit cost per kWh.*