

# Power Cost Adjustments (PCA)

If you examine your bill each month, you may have noticed the Power Cost Adjustment (PCA) line item. It can be either a credit or a charge and is calculated based on the actual energy (kWh) you use.



## What is a Power Cost Adjustment?

The PCA is a monthly adjustment dependent on differences in the base cost of wholesale power. If the cost is lower than the base cost of power, the PCA is applied as a credit on your bill. If the cost is higher than the base cost of power, the PCA is applied as a charge. Utilizing a PCA covers monthly power cost fluctuations without having to continually restructure electricity rates.

## What impacts the PCA?

During times when the demand for electricity is much higher, power may need to be purchased from more expensive sources at market price, which includes additional generation costs. This year, our power providers are experiencing higher natural gas and coal prices which are impacting the PCA. Transmission lines that move renewable energy from where it is generated to where it is needed are congested which also raises energy market prices.

*To learn more about power cost adjustments and for answers to frequently asked questions, scan the QR code below.*



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