Achievable Potential. An estimate of energy savings based on the assumptions that all energy-efficient options will be adopted to the extent that it is cost-effective and possible through utility DSM programme.

Agriculture Sector. Non-residential customers engaged in the production of crops and livestock, forestry, fishing, hunting or trapping.

ARR. Annual revenue requirements.

Audit. Analysis of a home, building or industrial process by an energy engineer to determine ways the customer can improve their energy efficiency.

Availability. The ratio of the maximum output of a supply resource to its rated capacity, a measure of reliability.

Avoided cost. The incremental cost that a utility would incur to produce or purchase an amount of power equivalent to that saved by a DSM measure.

Base load Unit/Station. Units or plants, which are designed for nearly continuous operation at or near full capacity to provide all or part of the base load. An electric generation station normally operated to meet all, or part, of the minimum load demand of a power company’s system over a given amount of time.

Capacity, Electric Supply. The maximum quantity of electric output for which a supply system or component is rated.
Capacity Factor. The ratio of the average operating capacity of an electric power generating unit for a period of time to the capacity rating of the unit during that period.

Coincident. Two or more demands which occur during the same time interval. Typically used to express customer demand, which occurs at the time of utility system peak demand.

Coincident Demand. A customer’s demand at the time of a utility’s system peak demand.

Combine cycle gas turbine. Combine cycle gas turbine is a gas based power generation mode where gas turbine is followed by a steam turbine. Output gases from the gas turbine flows into a steam generator (boiler). Steam produced here turns a steam turbine.

Conservation. The protection, improvement and use of natural resources according to principles that will assure their highest economic and social benefits.

Conservation Programme. A DSM programme that attempts to reduce a customer’s energy (kwh) consumption over most or all hours of the day.

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Customer (electric). An individual, firm, organization or other electric utility, which purchases electric service at one location under one rate classification, contract or schedule.

Customer Class. A group of customers with similar characteristics, such as economic activity or level of electricity use.

Demand. The rate at which electric energy is delivered to or by a system or piece of equipment.
Demand –Side Management (DSM). The planning, implementation, and monitoring of utility activities designed to influence customer use of electricity in ways that will produce desired changes in a utility’s load shape (i.e. change in the time pattern and magnitude of a utility’s load).

Direct Installation Programme. Installation of DSM measures within customer’s home or business.

Economic Potential. An estimate of energy savings based on the assumption that all energy efficient options will be adopted and all existing equipment will be replaced with the most efficient whenever it is cost-effective to do so, without regard to market acceptance.

Efficiency. The amount of energy service delivered by a machine per unit of energy input. For example, if 400-watt electric motor delivers only 280 watts of mechanical drive power, it has an efficiency of \( \frac{280}{400} = 70 \) percent.

Efficient Technologies. State-of-the-art commercially available appliances, equipment, building-shell measures, or industrial processes that improve the end-use efficiency of electricity relative to the existing stock of appliances, equipment, measures and processes.

Energy (Electric). The ability or capacity to do work measured in kilowatt hours (kwh) is the time-integral of power (power*time)

Energy Conservation. Refers to the steps that can be taken to reduce energy consumption. It includes encouraging customers to invest in capital improvements and changing energy consumption behavior.

Energy Cost. Costs, such as fuel, those are related to and vary with energy production or consumption.
Energy Efficiency programme. DSM programme aimed at reducing overall electricity consumption (kwh), often without regard for the daily timing of the programme-induced savings. Such savings are generally achieved by substituting technically more efficient equipment to produce the same level of end-use services with less electricity.

Energy Services. The physical amenity provided by energy-using equipment, for example cooking, illumination etc.

Expansion Plan. The schedule of planned power-supply investments to produce sufficient electricity (including reserve margins) to meet forecasted future demand.

Expensed Costs. Costs that are treated as current expenses rather than as capital costs; the utility cannot earn a return on expensed costs.

Externality. A social cost that is not captured in conventional market transactions.

Giga Watt (GW). One Giga watt equals 1 billion watts (10^9 W), or one million kilo watts (10^6 KW) or 1 thousand mega watts (10^3 MW).

Giga Watt Hour (GWh). One Giga watt-hour equals one billion watt hours or one million kilo watt-hours or 1 thousand mega watts hours

Gross Programme Savings. The difference between customer’s energy consumption before and after participating in a utility programme.

Horsepower. A unit of power equaling 746 watts.

Incandescent Bulb. A lamp in which light is produced by a filament heated to incandescence by an electric current.

Incentive. An award offered to encourage participants in a DSM programme and adoption of recommended measures.

Increment Cost. The difference in costs, particularly between that of an efficient technology or measure and alternative standard technology.
Incremental Participation. The number of annual participants in the current year minus the annual participants in the previous year.

IPS. Irrigation pump set.

IRP. Integrated resource plan

Kilo Watt (KW). One-kilo watt equals one thousand watt (10^3 Watt)

Kilo Watt Hour (kwh). A measure of electrical energy, equivalent to one kilowatt of power sustained for one hour.

LCP-Least Cost Planning. A utility planning method whereby alternative resource mixes, including demand-side options are evaluated along with traditional supply-side options to determine which of them minimize the overall cost of service. Cost management is used as the criterion for selecting the resource plan for the utility.

Line Losses. Kilowatt-hours and kilowatts lost in the transmission and distribution lines under specified conditions.

Load-Duration Curve. A graph showing a utility’s hourly demand, sorted by decreasing size and the amount of time a given level of demand is exceeded during the year.

Load-Forecasts. Predicted demand for electric power.

Load Shape. The time-of-use pattern of customer electricity use, generally a 24-hour pattern or an annual (8760-hour) pattern.

Lost Revenues. Utility income that is lost through reduced sales due to a DSM or energy-efficiency programme.

Marginal Cost. The cost of providing an incremental unit of energy services.

Marginal Cost of Energy. The cost of providing an incremental unit of energy.

Marginal Cost of Capacity. The cost of meeting an incremental unit of peak-demand.
Marginal Resource. The most expensive resource needed at a given time.

Measures. Actions taken by a customer to improve the efficiency or modify the timing of electricity use.

Mega Watt (MW). One thousand kilowatt ($10^3$ KW) or 1 million watts ($10^6$ Watt)

MU. Million units (million kwh)

Net Programme Savings. The estimation of a programme’s energy and demand savings, which are directly attributable to the programme.

New Participants. Customers who participate in a programme during the current year and did not participate in the programme during the previous year.

Open cycle gas turbine. Open cycle gas turbine is a gas based electric power generation mode where air is compressed and fuel burnt in a combustion chamber. This releases high-pressure hot gases, which drive the gas turbine. The excess gases escape into the atmosphere. The turbine turns the generator, producing power. In a closed cycle gas turbines, the exhaust gas from the turbine is sent back to the compressure, thus save on heating.

Operation and Maintenance Costs. Non-capital, equipment-related costs that continue over the life of the equipment; include costs of maintaining and servicing equipment.

Participants. The definition of units used by a utility to measure participation in its DSM programmes.

Participants Costs. Costs associated with participation in a DSM program paid by the customer and not reimbursed by the utility.

Peak Load. The maximum electrical load reached during a given period of time.
Present Value (Worth). The equivalent value today of discounted future cash flows.

Rebate Programme. A conservation or load management programme where the utility offers a financial incentive for the installation of energy efficient equipment. Rebates can be offered to customers, installers, or dealers.

Reserve Margin. The difference between an electric system's maximum capacity and the expected peak demand.

Utility. An organization or company, publically or privately owned, formed for the purpose of supplying electricity to the general public, usually on a commercially basis.

Variable cost. A specialized term used to denote that element of total costs which bears a direct relationship to the quantity of energy supplied.

Watt. A unit of power, named after James Watt, a Scottish engineer. The rate of energy transfer equivalent to one ampere flowing due to an electrical pressure of one volt at unity of factor. One watt is equivalent to approximately 1/746 horsepower.

Watt-hour. The total amount of energy used in one hour by a device that requires one watt of power for continuous operation.