

What's the difference between **capacity** and **energy**?

What is Capacity?

The U.S. Energy Information Administration (EIA) refers to capacity as the **maximum output of electricity that a generator can produce** under ideal conditions. Capacity levels are normally determined as a result of performance tests and allow utilities to determine the maximum electrical load that a generator can support. Capacity is generally measured in megawatts (MW) or kilowatts (kW).

What is Energy?

Energy is the **amount of electricity that is produced or consumed over time**. Energy is measured in megawatt-hours (MWh). When you turn on a light, plug in a computer or cool a home, you consume energy.

Capacity Markets

GHBLP is required to maintain or purchase adequate capacity to meet the necessary load and reserve requirements as determined by the regional Independent System Operator (ISO) and meet the state of Michigan's annual resource adequacy requirements.

Future Power Supply Planning

In its approved 5-year Strategic Plan, the BLP has committed to maintaining a “**sustainable, economical, and diversified power supply portfolio**,” to ensure we adequately and reliably meet the energy and capacity needs of our community.