



CUBFacts

Electric Competition: What you should know

What are my choices?

In northern Illinois, you can choose Commonwealth Edison (ComEd), the regulated utility, to supply you with power, or go with alternative suppliers.

Remember, even if you choose an alternative supplier, you're simply buying electricity from that company. ComEd will still bill you to deliver the electricity to your home.

While it's an interesting development in the electric market, long-term savings are not guaranteed. "The jury is still out on whether residential competition is going to bring real value to consumers," CUB Executive Director David Kolata told the Chicago Tribune.

Why am I hearing about this now?

Companies are rolling out marketing campaigns in the wake of an Illinois Commerce Commission (ICC) decision in December that makes it easier for alternative suppliers to bill for their services through ComEd.

What are the offers?

The chart to the right shows the available offers as of March 2011. BlueStar, Champion, Constellation, Direct Energy, and Spark offer 12-month fixed-rate contracts with prices lower than ComEd's through at least May of 2011. Energy Plus offers a monthly variable rate lower than ComEd's, and a customer rewards program. But, ComEd's prices are expected to drop sharply in June, just as consumers begin to turn on their air conditioners.

The ComEd price includes the "Electricity Supply Charge" and the "Transmission Services Charge" (.725¢), both under the "Electricity Supply Services" section of ComEd bills. CUB added the transmission charge for the sake of making an apples-to-apples comparison. Make sure to confirm with the company whether any price it quotes you includes or does not include the transmission charge.



Company	Rate (¢/kWh)	Exit Fee	Term
ComEd	8.325	None	N/A
BlueStar 1-866-258-3782	6.955, 7.425*	\$10 for each month left	12 months
Champion 1-888-653-0087	6.4, 6.8*/ 6.7	\$10 for each month left	12 months/ 6 months
Constellation 1-866-577-4700	7.8/7.5	\$150 (3-month opt-out period)	12 months/ 24 months
Direct Energy 1-866-266-2084	6.89 (6.69 for employees, military, seniors 65+)	None	12 months
Energy Plus 1-877-830-6820	7.5 variable**	None	Monthly
Spark 1-877-547-7275	6.98	None	12 months

***Green energy option.** (See the following page for more details.)

****This is a variable rate,** which means it can change on a monthly basis. It is impossible to predict what this price will be going forward.

Will I save money?

In the short term, at least, these offers are beating ComEd's current price for electricity. ComEd's rate went up by about 19 percent last June, but fell in January and it's expected to drop steeply this June. There's no guarantee the alternative offers will beat ComEd's price in June. That's why it's important to read the fine print of these offers.

What details should I look for in the fine print?

Find out:

- No. 1.) If the company charges an exit fee for getting out of the deal before the term is up. It may take up to two billing cycles to get out of an offer.
- No. 2.) If the company charges any monthly fees that will inflate its advertised electricity prices.
- No. 3.) If there's any clause in the contract that allows the company to get out of the rate it has promised you.
- No. 4.) If the company charges any type of deposit.
- No. 5.) If you're eligible to sign up for the company's offer. BlueStar, for example, does not allow LIHEAP customers and those on deferred payment plans to take advantage of its offers. Those who use electricity as their primary source of heat and customers on Real-time Pricing can switch to BlueStar, but the company says they cannot save money.

Do I get a single bill?

You should get a single bill, but it's a good detail to check. Also, ask if your bill will be paper or online. Most of the suppliers simply include their charges on your ComEd bill, but at least one sends you its own bill.

Will going with an alternative supplier protect me from ComEd rate hikes?

No, remember ComEd will still bill you to deliver the electricity to your home. Currently ComEd is campaigning for a \$326 million rate hike on the delivery rates you pay, whether you buy your electricity from an alternative supplier or not.

Help CUB fight
ComEd's rate hike! Visit
CitizensUtilityBoard.org
and click "Join."

How do the green energy options work?

BlueStar and Champion both offer green energy plans. Typically, here's how such plans work: For a slightly higher price than the company's standard fixed rate, the company pledges to buy "renewable energy certificates," or RECs, from a company that produces wind power. That ensures that the wind company will deliver an amount of renewable energy to somewhere in the electricity system that is equal to the amount you consume.

Such programs have been a common source of customer confusion. BlueStar admits on its website, "It is not physically possible to route electrons from a specific generation source to a specific physical address." So enrolling in BlueStar's renewable program doesn't mean that the actual power you use is coming from a wind farm.

Although RECs are a legitimate option for consumers, there are other ways to help the environment without paying extra for your electricity. For example, practicing energy efficiency at home (see below) can be even more effective. Also CUB sees Illinois' renewable portfolio standard, requiring state utilities to use a certain percentage of renewable energy, as a much more effective way to make the electricity system cleaner and more stable.

What else can I do to cut my electric bill and make my home more efficient?

CUB Energy Saver (www.CUBEnergySaver.com), will help you design an energy-saving plan for your home. Choose from hundreds of customized actions to cut your energy bill, and get a free money-saving Compact Fluorescent Light bulb (CFL) for signing up. ComEd customers who input their billing information and save energy earn rewards redeemable at local businesses and national retailers. In 2010, consumers cut their ComEd bills by \$114,000 and 877,000 kWh—enough to power the average Illinois home for a century.