What are my choices in the electricity market?

In Illinois, you have four choices for electric supply:

1) ComEd, the regulated supplier;
2) An unregulated alternative supplier (also known as an “alternative retail electric supplier,” or “ARES”);
3) An unregulated supplier chosen by your local government (“municipal aggregation”);
4) Hourly Pricing, a special ComEd power pricing plan.

This guide covers the second choice, unregulated alternative suppliers. These companies sell their offers door-to-door, over the phone and by mail—but also at community events, through friends and even at churches.

CUB gets a lot of reports about misleading marketing and bad deals that charged consumers double, triple or even worse for their electricity. Such problems led Illinois to pass the HEAT Act, one of the nation’s toughest consumer-protection laws.

How does competition work?

Traditionally, a utility charges you for the power you use and the cost of delivering it to you. But you can choose another company to supply the power.

If you choose another supplier, you still get a bill from ComEd—because the utility delivers the power to you—and you still call the utility in case of a power outage. But a different company and its price will be listed on the “supply” section of your bill. (See the other side of this guide.)

Remember, ComEd’s supply price is often the lowest option. It is illegal for ComEd to make a profit off of what it charges you for supply. Alternative suppliers, on the other hand, can charge whatever they want.

ComEd’s electricity price changes in June and October of each year as part of an electricity purchasing process overseen by the Illinois Power Agency.

WARNING:

In the current market, the regulated utility (ComEd) is probably your best choice.

Will I save money with another supplier?

In recent years, Illinois consumers have lost more than $800 million from alternative electric suppliers. So in the current electricity market, it’s likely that the regulated utility is your best bet. If you are considering an electricity offer, be careful to ask good questions and read the fine print before signing up.

What consumer protections do I have?

Because of numerous problems in the market, Illinois passed the Home Energy Affordability and Transparency (HEAT) Act of 2019. Among other things, the new law:

• Stops suppliers from automatically renewing a contract

How to avoid electricity scams

1) People may knock on your door or call you to say they’re from the “electric company” and can lower your bill. Don’t give out your electric bill or account number unless you’re sure you want to sign up for an offer. A dishonest sales representative can use your account number to sign you up without permission.

2) Find out what the company is charging and how that compares with the utility’s price. Is it a fixed rate (and if so, for how long) or a variable rate that changes monthly?

3) Ask if the rate is an introductory rate, how long it will last, and what the new rate will be. Your low price may disappear after a few months, causing your bill to skyrocket.

4) Ask if the plan charges a monthly fee. A $10 monthly fee means you pay more than $100 a year—without using any power.
from a fixed rate to a variable rate (a rate that changes monthly), and then increasing the price.

- Ends termination fees.
- Requires supplier marketing materials, and utility bills, to clearly state the utility’s current price.
- Makes it harder for suppliers to overcharge customers who get assistance through the Low Income Home Energy Assistance Program.
- Requires telemarketing and in-person marketing to be conducted in a language the customer understands.

There are many more protections in the HEAT Act. If you have questions, please call CUB, 1-800-669-5556.

**How do I know if I’m with an alternative supplier?**

**BEWARE:** Even if you’re with an alternative supplier, you will continue to get a bill from your regulated utility. People on a bad deal often tell CUB they had no idea they were with another company until their bill went up. Check your bill each month to see if an alternative supplier is listed.

- Look for another company listed on the “Supply” section of your ComEd bill, on pages 1 and 2. On page 2, you should be able to see the per kilowatt-hour price you’re paying.
- Call the alternative supplier to end an offer. The name and number of the company should be listed on your electric bill. If you think you were fraudulently signed up, tell the supplier you want a refund.
- If you don’t like the supplier’s response, file a complaint with CUB, at 1-800-669-5556.

**What is a community power deal?**

Under Illinois law, a city, village, town or county can negotiate electricity prices with an alternative supplier on behalf of its residents. This is called “municipal aggregation,” or a community power deal.

With aggregation, the switch to a supplier is automatic, as long as residents in your community passed a referendum in favor of it—but you can opt out of participating in the program.

Aggregation allows local leaders to use the collective buying power of a community’s residents to try to negotiate a better price with a supplier. But there’s no guarantee that a town’s price will beat the utility rate.