



CUB's Guide to Avoiding Electric Rip-offs

A guide to supplier offers and how they compare to ComEd

A Publication of the Citizens Utility Board (CUB)

Beware of bad deals

Commonwealth Edison customers have the right to choose another company to supply their electricity. These alternative electricity suppliers sell their offers in a number of ways: door-to-door, over the phone and through the mail—but also at community events and through friends. We've even received reports of suppliers working through churches.

This guide is in response to thousands of complaints and questions the Citizens Utility Board (CUB) has received about alternative electricity suppliers over the years. The inquiries range from simple questions about choices in

the electric market to complaints about bad deals that led to hundreds of dollars in higher power bills. CUB also is concerned about reports of unscrupulous sales representatives making misleading pitches and in particular targeting senior citizens, low-income customers and non-English speakers.

Warning: Right now, it is likely that the regulated utility—ComEd—is your best choice for your electricity supplier.

This guide answers the following questions:

- How does electric competition work in Illinois?
- Will I save money with an alternative electricity supplier?
- How can I tell if I am with an alternative supplier?
- What is municipal electric aggregation?

Plus, it includes these helpful tools:

- A one-page flyer to share with friends and family.
- An apples-to-apples comparison between alternative supplier offers and the utility's price.

Electric competition in Illinois

Illinois' 1997 electricity restructuring law opened the door for retail competition in the state. But consumers didn't have any supply choices until more than a decade later, in 2010. Retail suppliers flooded the state after ComEd became locked into power contracts that left their electricity prices higher than the prevailing market rates. Also, an Illinois Commerce Commission (ICC) ruling allowed suppliers to attach their charges to ComEd bills.

What are my choices in the electricity market?

In Illinois, you have four choices for your 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) A special ComEd power pricing plan called Hourly Pricing.

How does electricity competition work?

Your electric bill is divided into three main sections: delivery, supply and taxes. The "delivery" section is where the utility makes a profit, and covers the costs of maintaining the wires, reading the meter, mailing the bills, and all the other duties relating to administration and infrastructure. You will always pay ComEd for delivery; this is how the company makes its money. Also, if there is a power outage or any other problem with your electric service, you will still call the regulated utility, ComEd.

The "supply" section of the bill covers the cost of the actual power you use. This is the part of your bill that changes if you opt for a different supplier. Traditionally, a utility buys electricity through a process managed by the state-run Illinois Power Agency (IPA), and then uses its wires to deliver that power to your home. The utility must sell the electricity at the same price it pays, with no markup. Choosing another supplier means that you will pay a different company to buy and supply that power. Although those charges will still appear on your ComEd bill, they are actually being set by that other supplier—and unlike the utility, that supplier's rates are not regulated or reviewed by the IPA or ICC.

Will I save money with an alternative supplier?

There's no guarantee. Thanks to higher priced utility contracts, customers saved more than \$320 million with alternative suppliers from 2011 to 2014. However, the last of those contracts expired in 2013, and in recent years it has become much more difficult to find savings. In fact, Illinoisans lost a total of \$125.8 million with alternative suppliers from June 2015 through May 2016.

Illinois Electric Market

Total losses/savings for customers with alternative suppliers, June 2016 through May 2017.

Customers	Savings/Losses
ComEd Customers	\$152.1 million (LOSS)
Ameren IL, Zone 1 Customers	\$17.8 million (LOSS)
Ameren IL, Zone 2 Customers	\$7.7 million (LOSS)
Ameren IL, Zone 3 Customers	\$20.2 million (LOSS)
Total:	\$197.8 million (LOSS)

Source: Annual report, Illinois Commerce Commission Office of Retail Market Development, June 2017

What is municipal aggregation?

Municipal aggregation is when a city, village, town or county negotiates electricity prices with an alternative supplier for its residents.

Such community power deals were made possible by an Illinois law passed in 2009. With municipal aggregation, the switch to an alternative supplier is automatic, as long as residents in your community passed a referendum in favor of aggregation and as long as you don't opt out of participating in the program.

The idea behind aggregation is that local leaders can use the collective buying power of a community's residents to negotiate a good price.

In Illinois, community power deals have typically offered the best deals among alternative suppliers, and were

a major reason that competition initially led to \$320 million in consumer savings. However, once Illinois' electric utilities were free from higher-priced contracts in 2013, it became more difficult for community power deals to offer significant savings or any savings at all. Many communities have ended their aggregation deals.

If you're on a municipal aggregation deal, ask these three questions:

- 1) How does it compare to the utility's rate?
- 2) Do I have to pay a monthly fee?
- 3) If I want to get out of the deal, will I have to pay an exit fee?

To get out of a community power deal, call the supplier listed on your bill.

How do I know if I'm with an alternative supplier?

Your bill is divided into three parts: supply, delivery and taxes. Supply is what you pay for the actual electricity you use. Delivery covers the charges for getting the power delivered to your home. If you're with an alternative supplier, it impacts the supply part of your bill.

Beware: Even if you're with an alternative supplier, you will continue to get a bill from your regulated utility. Suppliers include their charges on the supply section of your utility bill. 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 you're with an alternative supplier.

On your ComEd bill:

If you're with another supplier, its name should be in the "Supply" section of your bill, on pages 1 and 2. On page 2, you should be able to see the per kilowatt-hour price you're paying.

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To end an offer:

If you want to end an alternative supplier offer—including a municipal aggregation deal—call that supplier. 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 the exit fee—if it charges one—waived, and push for a full refund. (Note: Under Illinois law, a company is not allowed to charge you an exit fee of more than \$50.)

If you don't like the supplier's response, file a complaint with CUB, **1-800-669-5556**.

How to avoid electricity scams:

- 1) Be careful about people at your door who say they're from the "electric company" and offer to lower your bill. Don't give out your account number or power bill unless you're absolutely sure you want to sign up for an offer. A dishonest sales representative who gets your account number can sign you up for an alternative supplier without your permission.
- 2) Find out what the company is charging and how that compares with the utility's price. Ask whether it's a fixed rate, and for how long, or a variable rate that changes on a monthly basis.
- 3) Ask if the rate is an introductory rate, how long it lasts and what the new rate will be. CUB receives a lot of complaints from people who say the low price they signed up for disappeared after a few months and their bill skyrocketed.
- 4) Ask if there is a monthly fee. CUB has seen fees as high as \$9 a month.
- 5) Ask if there is an exit fee if you want to leave a plan before the contract is up.

Warning! Myths about competition

Electricity marketers at your door or on the phone may try to get you to sign up for an offer using these myths:

1) *I must sign up with an alternative supplier.*

False! Signing up is optional. If you'd rather keep ComEd or Ameren as your supplier, you can. It's your choice.

2) *Going with an alternative supplier is guaranteed to save me money.*

False! Nobody can guarantee savings. In fact, an Illinois Commerce Commission (ICC) report found that alternative supplier customers lost a total of \$125 million from 2015 to 2016.

3) *An alternative supplier will protect me from ComEd or Ameren rate hikes.*

False! Electric bills are divided into two parts: supply and delivery. While you might secure a lower supply rate with an alternative supplier, you won't be protected from delivery rate hikes that ComEd or Ameren gets before the ICC. Everybody pays those delivery rates, because the utilities own all the wires and will always deliver power to your home—even if you have an alternative supplier.

4) *If I'm getting a bill from my utility company, I'm not with an alternative supplier.*

False! Because ComEd and Ameren own all the wires, you will always pay those companies to deliver power to your home. In fact, most if not all suppliers include their charges in the supply section of your ComEd or Ameren bills.

Number of customers with an alternative supplier in Illinois:

June 2010: **375**

August 2012: **1,012,505**

April 2014: **3,078,411**

October 2016: **1,946,734**

Source: Illinois Commerce Commission (ICC) site: PlugInIllinois.org.

5) *"Green" plans guarantee that I'm getting power from renewable source.*

False! There's no way to guarantee that the electrons flowing into your home are coming from renewable sources, such as wind or solar. The electrons flowing from the power grid are being fed by thousands of sources, from the dirtiest coal plant to a wind farm. Instead, with green plans you're purchasing Renewable Energy Credits (RECs), which guarantees that renewable energy is being added somewhere to the power grid.

So what is a “green” plan?

Several alternative retail electric suppliers offer “green power” options. However, even if you purchase “green energy,” it does NOT mean the actual electricity you consume is coming from a renewable energy source, like wind or solar power. This might come as a surprise to some consumers, because of misleading and/or confusing marketing in the industry.

When you turn on the television or charge your cellphone, there’s no easy way to determine if the electricity you’re consuming is coming from a nuclear plant, wind turbine or any particular power generator. We do know that the electrons are flowing from the power grid, which is constantly being fed by thousands of sources, from the dirtiest coal plant to a home’s rooftop solar panels.

If you sign up for a “green plan,” it just means that your chosen supplier is purchasing “renewable electricity

credits,” or RECs, on your behalf. Those RECs represent clean energy that’s being added somewhere to the power grid. For example, if a consumer enrolls in an alternative supplier’s “50 percent green” plan and consumes 1,000 kWh (1 MWh) of electricity in a month, that customer could claim the environmental benefits of adding 500 kWh of “green” electricity somewhere on the power grid. Likewise, if that same customer was on a “100 percent green” plan, that person would offset their entire electricity usage for that month.

CUB supports a customer’s right to sign up for a green plan, but these plans are often more expensive than the utility’s price. Green plans shouldn’t distract from the best ways to help the environment and cut your electric bill: practicing energy efficiency or signing up for special plans that allow you to move your electricity demand to off-peak hours.

New protections for Illinois consumers

After three years of work by consumer advocates and regulators, the Illinois Commerce Commission (ICC) voted in 2017 to finalize new consumer protections against electric rip-offs. The key rules require alternative electric suppliers to:

- Notify a customer by letter and by “one additional means of communication” that a contract is being renewed.
- Provide customers with 12 months of pricing history for a variable rate offer (an offer that can change monthly).
- Send customers a separate written notice when a variable rate will increase by at least 20 percent.
- Limit door-to-door marketing to 9 a.m. to 7 p.m. or dusk, whichever is earlier.

The vote on the rules formally ended an ICC-led investigation of Illinois’ electricity market that CUB and the City of Chicago requested in 2014 after a deluge of reports of exorbitant prices and misleading or confusing offers peddled by alternative electric suppliers.

Good choices in Illinois’ electricity market

The utilities now offer a variety of special pricing programs and efficiency improvements. While these offers may not be right for everyone, they may help you save money:

ComEd’s Hourly Pricing program: Charges a market rate that changes hourly, encouraging customers to put off heavy appliance usage until times of day when power prices are low. While not for everyone, these programs have saved people an average of about 15 percent on the supply portion of their power bills. To sign up for ComEd’s program, visit: <https://hourlypricing.comed.com/>.

ComEd’s Peak Time Savings program: Gives customers an opportunity to save money without risk. By signing up, consumers are credited on their electric bill when they reduce power usage during designated periods when electricity is most in demand. To sign up for Peak

Time Savings, call ComEd, at 1-844-852-0347, or visit www.comed.com/pts.

Note: You must already have a new advanced smart meter installed at your home to participate in Peak Time Savings.

Energy efficiency programs: The cheapest kilowatt-hour is the one you never use. Energy efficiency is the best way to save money, and the utilities offer a whole menu of programs to make your home more efficient and cut your utility bills.

For more information, visit CUB’s Energy Efficiency page, at www.CitizensUtilityBoard.org/energyefficiency.

Please share this poster with friends and family.



CUB CONSUMER ALERT: BEWARE OF ELECTRIC RIP-OFFS

1) Look at your ComEd bills.

Is there a strange company listed in the supply section of your bill? You could be paying too much for an alternative power supplier.

2) Ask these questions.

If you're considering an alternative supplier, or are already with one, ask:

- What's the price and how does it compare to the current utility supply price?
- Is the price an introductory rate that changes in a month or two?
- Does the company charge a monthly fee that will inflate its advertised price?
- Does the company charge an exit fee for getting out of the deal early?

3) Beware...

...of people at your door who say they're from the "electric company." Don't give out your account number or power bill to just anybody who asks for it. That person may be trying to sign you up for an offer without your permission.

4) Questions?



This alert is from the Citizens Utility Board (CUB), a nonprofit watchdog created by the state legislature to fight for lower electric rates. For more information, call 1-800-669-5556 or visit www.CitizensUtilityBoard.org.

Helpful resources

To file a complaint about an alternative supplier, visit CUB’s website, at CitizensUtilityBoard.org, or call us at **1-800-669-5556**.

If you do shop for electricity, use CUB’s calculator, at CUBPowerCalculator.com, to judge whether an alternative supplier offer is the right deal.

See our list of current alternative supplier offers, and how they compare to the utility price below.

ComEd (Regulated Utility)	Price to Compare 7.195¢ per kWh Until May 2018
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Alternative electric offers as of May 2, 2018*

***This is a snapshot of plans.** Beware that offers change frequently. Rates only reflect the price of power itself. The ComEd price includes the Electricity Supply Charge and the Transmission Services Charge, both under the “Supply” section of bills. The price does not include the Purchased Electricity Adjustment (PEA) or the Renewable Energy Adjustment. The PEA can change monthly and is a credit or a debit of up to 0.5 cents per kWh. The Renewable Energy Adjustment is 0.189 cents per kWh. Alternative supplier offers do not have a PEA, and temporarily have a lower Renewable Energy Adjustment.

Company	Offer	Term	Green?	Fees
AEP Energy 1-877-648-1927	7.39¢ per kWh	6-month fixed	No	No (new customers only)
AEP Energy	7.75¢ per kWh	12-month fixed	No	\$50 (web only)
AEP Energy	7.95¢ per kWh	17-month fixed	No	No (new customers only)
AEP Energy	8.18¢ per kWh	20-month fixed	Yes	No (new customers only)
Agera Energy 1-844-692-4372	9.03¢ per kWh	12-month fixed	No	\$50 exit fee
Agera Energy	8.686¢ per kWh	24-month fixed	No	\$50 exit fee
Ambit Energy 1-877-282-6248	6.608¢ per kWh	Variable	No	No
American Power & Gas of IL, LCC 1-727-773-8700	5.99¢ per kWh	Variable	No	No

Company	Offer	Term	Green?	Fees
American Power & Gas of IL, LCC	9.79¢ per kWh	12-month fixed	Yes	\$150
CleanChoice Energy 1-800-460-4900	10.487¢ per kWh	3-month fixed	Yes	No
CleanChoice Energy	11.30¢ per kWh	12-month fixed	Yes	No
Clearview Energy 1-888-257-8439	7.49¢ per kWh	6-month fixed	Yes	\$50 cancellation fee
Clearview Energy	6.89¢ per kWh	12-month fixed	Yes	\$50 cancellation fee
Comcast Energy Rewards 1-844-684-5506	8.59¢ per kWh	6-month fixed	No	No
Constellation Energy 1-866-577-4700	7.79¢ per kWh	12-month fixed	No	\$50 exit fee
Constellation Energy	7.99¢ per kWh	18-month fixed	No	\$50 exit fee
Constellation Energy	7.99¢ per kWh	12-month fixed	Yes	\$50 exit fee
Direct Energy 1-866-910-3401	8.19¢ per kWh (8.09¢ per kWh for military)	12-month fixed	No	No
Direct Energy	8.19¢ per kWh (8.09¢ per kWh for military)	18-month fixed	No	No
EnergyMe 1-855-243-7270	9.39¢ per kWh	12-month fixed	No	\$50 exit fee
EnergyMe	8.686¢ per kWh	24-month fixed	No	\$50 exit fee
Energy Plus 1-877-830-6820	6.7¢ per kWh (3-month intro rate)	Variable	No	No
Energy Plus	7.9¢ per kWh fixed rate	6-month fixed	No	No
Green Mountain Energy 1-855-454-6473	5.8¢ per kWh	3-month fixed	Yes	\$4.95 monthly fee
Green Mountain Energy	6.9¢ per kWh (3-month promo rate)	Variable	Yes	No
Green Mountain Energy	7.4¢ per kWh	3-month fixed	Yes	No
Green Mountain Energy	7.9¢ per kWh	3-month fixed	Yes	No
Green Mountain Energy	7.9¢ per kWh	6-month fixed	Yes	\$50 exit fee
Green Mountain Energy	8.4¢ per kWh	12-month fixed	Yes	\$50 exit fee

Company	Offer	Term	Green?	Fees
Green Mountain Energy	9.9¢ per kWh	12-month fixed	Yes	\$50 exit fee
Hiko Energy 1-888-264-4908	7.60¢ per kWh	Variable	No	No
Hiko Energy	9.90¢ per kWh	Variable	No	No
IGS Energy 1-888-995-0992	9.39¢ per kWh	36-month fixed	No	\$50 exit fee
IGS Energy	9.09¢ per kWh	12-month fixed	No	\$50 exit fee
Illinois Gas & Electric 1-866-705-7291	9.01¢ per kWh	12-month fixed	No	\$50 exit fee
Illinois Gas & Electric	5.59¢ per kWh	Variable	No	No
Just Energy 1-877-669-1027	7.81¢ per kWh	24-month fixed	No	\$50 exit fee
Just Energy	7.62¢ per kWh	12-month fixed	No	\$50 exit fee
Life Energy 1-844-309-9588	7.49¢ per kWh	6-month fixed	No	\$50 exit fee
Life Energy	6.89¢ per kWh	6-month fixed	No	\$50 exit fee
MC Squared Energy Services 1-877-622-7697	Custom price	12-month fixed	Can choose a green option	No
National Gas & Electric 1-888-442-0002	6.89¢ per kWh	6-month fixed	Yes	No
National Gas & Electric	5.79¢ per kWh	3-month fixed	No	No
National Gas & Electric	6.39¢ per kWh	6-month fixed	No	\$50 exit fee
National Gas & Electric	7.99¢ per kWh	12-month fixed	Yes	No
National Gas & Electric	8.49¢ per kWh	12-month fixed	Yes	No
National Gas & Electric	6.09¢ per kWh	3-month fixed	Yes	No
Nordic Energy Services 1-877-808-1022	3.5¢ per kWh (first month only)	Variable	Yes	No
Nordic Energy Services	Custom Rate	24-months	No	\$50

Company	Offer	Term	Green?	Fees
North American Power 1-888-313-9086	7.79¢ per kWh	6-month fixed	No	\$10 exit fee per month left on contract
North American Power	8.74¢ per kWh	6-month fixed	Yes	\$10 exit fee per month left on contract
North American Power	8.59¢ per kWh	12-month fixed	No	\$10 exit fee per month left on contract
North American Power	9.54¢ per kWh	12-month fixed	Yes	\$10 exit fee per month left on contract
NRG Home 1-855-674-7697	6.5¢ per kWh (first 3-months only)	Variable	No	No
NRG Home	8.0¢ per kWh	6-month fixed	No	\$10 exit fee per month left on contract
NRG Home	8.4¢ per kWh	6-month fixed	Yes	\$10 exit fee per month left on contract
NRG Home	7.9¢ per kWh	12-month fixed	No	\$10 exit fee per month left on contract
NRG Home	8.0¢ per kWh	24-month fixed	No	\$10 exit fee per month left on contract
Oasis Energy 1-800-324-3046	7.0¢ per kWh	12-month fixed	No	No
Oasis Energy	7.6¢ per kWh	24-month fixed	No	\$50 exit fee
Oasis Energy	6.99¢ per kWh	6-month fixed	No	\$50 exit fee
Oasis Energy	7.59¢ per kWh	18-month fixed	Yes	\$50 exit fee
PALMco 1-877-726-5862	8.90¢ per kWh	9-month fixed	No	No
PALMco	8.77¢ per kWh	9-month fixed	No	No
Public Power 1-888-354-4415	7.71¢ per kWh	12-month fixed	No	\$50 exit fee
Public Power	7.92¢ per kWh	24-month fixed	No	\$50 exit fee
Realgy Energy Services 1-877-300-6747	6.679¢ per kWh	24-month Variable	No	\$3.75 monthly fee, \$50 exit fee
Santanna Energy Services 1-800-827-0067	5.0¢ per kWh	3-month fixed	No	\$3.99 monthly fee, \$50 exit fee
Santanna Energy Services	4.98¢ per kWh	12-month fixed	No	\$9.99 monthly fee, \$50 exit fee

Company	Offer	Term	Green?	Fees
Santanna Energy Services	6.20¢ per kWh	18-month fixed	No	\$7.99 monthly fee \$50 exit fee
Smart Energy 1-800-443-4440	7.66¢ per kWh	Variable Custom rate	Yes	No
Spark 1-877-547-7275	11.29¢ per kWh	12-month fixed	Yes	\$4.95 monthly fee, \$50 exit fee
Spark	11.30¢ per kWh	24-month fixed	Yes	\$4.95 monthly fee, \$50 exit fee
Spark	12.90¢ per kWh	6-month fixed	No	\$4.95 monthly fee, \$50 exit fee
Spark	10.30¢ per kWh	12-month fixed	No	\$4.95 monthly fee, \$50 exit fee
Spark	9.09¢ per kWh	24-month fixed	No	\$4.95 monthly fee, \$50 exit fee
Sperian Energy 1-888-682-8082	7.59¢ per kWh	12-month fixed	No	\$49 exit fee
Sperian Energy	7.12¢ per kWh	6-month fixed	No	\$49 exit fee
Star Energy Partners 1-855-427-7827	9.69¢ per kWh	36-month fixed	Yes	\$50 exit fee
Star Energy Partners	7.19¢ per kWh	12-month fixed	Yes	\$50 exit fee
Star Energy Partners	9.09¢ per kWh	36-month fixed	No	\$50 exit fee
Star Energy Partners	8.89¢ per kWh	24-month fixed	No	\$50 exit fee
Star Energy Partners	9.29¢ per kWh	24-month fixed	Yes	\$50 exit fee
Starion Energy 1-800-600-3040	8.89¢ per kWh	6-month fixed	No	\$6.72 monthly fee, \$50 exit fee
Think Energy 1-800-489-9181	8.5¢ per kWh	12-month fixed	No	\$45 exit fee
Think Energy	8.4¢ per kWh	24-month fixed	No	\$45 exit fee
Think Energy	8.7¢ per kWh	12-month fixed	No	\$45 exit fee
Think Energy	8.7 per kWh	6-month fixed	Yes	\$45 exit fee
Verde Energy USA 1-800-388-3862	9.09¢ per kWh	12-month fixed	Yes	No

Company	Offer	Term	Green?	Fees
Viridian (brand of Crius Energy) 1-866-663-2508	8.89¢ per kWh	12-month fixed	Yes	\$50 exit fee
Viridian (brand of Crius Energy)	9.89¢ per kWh	36-month fixed	Yes	\$50 exit fee
Viridian (brand of Crius Energy)	11.86¢ per kWh	Variable	Yes	No
Xoom Energy 1-888-997-8979	5.99¢ per kWh (3-month promotional rate)	Variable	No	No
Xoom Energy	8.79¢ per kWh	12-month fixed	No	\$50 exit fee
Xoom Energy	7.99¢ per kWh	6-month fixed	No	\$50 exit fee
Xoom Energy	8.39¢ per kWh	12-month fixed	No	\$50 exit fee
Xoom Energy	3.29¢ per kWh	Variable	Yes	\$50 exit fee
Xoom Energy	\$39.99/month for 7,999 kWh or less	12-month fixed	No	\$50 exit fee
Xoom Energy	8.19¢ per kWh	24-month fixed	No	\$50 exit fee
Xoom Energy	8.69¢ per kWh	12-month fixed	Yes	\$50 exit fee