



CITIZENS UTILITY BOARD

Fighting for Illinois Consumers

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CUB ISSUES CONSUMER ALERT ON GREEN PLANS MARKETED BY ALTERNATIVE SUPPLIERS

The Citizens Utility Board (CUB) on Tuesday issued a Consumer Alert to educate state residents about a source of confusion and complaints in Illinois' electric market: "green plans" peddled by alternative electricity suppliers.

The watchdog group encouraged Illinoisans to visit CUBHelpCenter.com, where they can get CUB's free "Guide to Renewable Energy Plans" emailed to them and sign a petition for stronger consumer protections in Illinois' electric market.

"Nearly every day, CUB answers questions about 'green plans' marketed by alternative electricity suppliers in Illinois," CUB Executive Director David Kolata said. "Either electric customers are confused by renewable energy offers or they've been misled by alternative suppliers marketing these plans. Renewable energy is a legitimate option, but people need clear information to separate good and bad deals."

Alternative electricity suppliers market plans based on "green" energy—renewable sources like wind and solar. But these plans can be significantly more expensive than the utility's prices, and it is important that consumers understand exactly what they are being offered. People should know:

- Signing up for a "green" plan does NOT mean your home will be directly powered by solar or wind energy. When you turn on the TV or charge your cellphone, there's no way to guarantee that the electricity is coming from renewable energy. The power grid is constantly being fed by thousands of sources, from coal plants to wind and solar farms.
- Signing up for a green plan means the alternative supplier will take some of your money to buy "Renewable Energy Certificates" (RECs). The REC market was created as a way to increase the incentive for developers to build renewable energy generation. While not guaranteeing that your home is powered by renewable sources, buying a REC guarantees that somewhere on the power grid renewable energy will be added. (**Note:** Like alternative suppliers, ComEd and Ameren also buy RECs. That's because under state renewable energy law, the utilities are required to have a portion of their supply come from green sources.)

Kolata said some community power deals offer reasonable green plans. Separate from those community deals, the green plans causing the most confusion and problems are those marketed door-to-door, over the phone, or via mail. "Green plans are a legitimate choice for consumers who fully understand what these offers are, but nobody should think that they have to pay more on their electric bills to protect the planet," Kolata said. "Thanks to state policy developments like the historic Future Energy Jobs Act, consumers have unprecedented opportunities to be green in ways that actually reduce their bills."

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CUB outlined good green choices that can help reduce electricity demand and the need for polluting power plants:

- **[Energy Efficiency Incentives](#)**. Energy efficiency is the most reliable way to cut power bills—and it's good for the environment. **[ComEd](#)** and **[Ameren](#)** offer lighting discounts and rebates on appliances and efficiency upgrades.
- **[ComEd Hourly Pricing](#)** and **[Ameren Power Smart Pricing](#)**. These programs can be a cheaper alternative to the utility's standard, static electricity rate. Participants pay a rate that can change each hour. These plans aren't for everyone, but they have saved participants an average of 15 percent on the supply side of their bills.
- **[ComEd Peak Time Savings](#)** and **[Ameren Peak Time Rewards](#)**. These programs give participants a bill credit if they're able to reduce energy usage for a limited number of hours on certain days (typically hot summer afternoons) when electricity demand is high. (**Alternative:** ComEd customers should consider **[Central AC Cycling](#)**, which offers a total credit of \$20-\$40 on summer bills.)
- **[Community Solar](#)**. Over the next year, CUB expects community solar projects to sprout up across Illinois. Such projects allow people to enjoy the benefits of solar power without actually having to install solar panels on their own homes. Participants subscribe to a portion of a "community solar garden" and then get credits on their electric bills in proportion to their share of the garden.

CUB is Illinois' leading nonprofit utility watchdog organization. Created by the Illinois Legislature, CUB opened its doors in 1984 to represent the interests of residential and small-business utility customers. Since then, CUB has saved consumers more than \$20 billion by helping to block rate hikes and secure refunds. For more information, call CUB's Consumer Hotline at 1-800-669-5556 or visit www.CitizensUtilityBoard.org.

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