



CUBFacts Real-time Pricing

Real-time Pricing Questions Answered

What is the “real-time pricing” program?

Illinois is first in the nation to launch a statewide residential real-time pricing program, which offers Ameren and ComEd customers a new way to pay for electricity.

While it’s not right for everyone, the program could help cut power costs for those willing and able to change how and when they use major appliances, such as the air conditioner, dishwasher, clothes dryer, and dehumidifier.

The program also helps reduce demand for pollution-causing coal-fired power plants and it can help prevent blackouts by reducing stress on the electricity system during “peak” times, when power usage and prices are at their highest.

While savings aren’t guaranteed, participants in a real-time pricing pilot program in northern Illinois have cut their power bills by an average of 10 percent over the last few years.

How does real-time pricing work?

Ameren and ComEd traditionally have charged their residential customers a fixed electric rate that changes only by the season (winter or summer). However, the real-time pricing program bills customers at a price that changes each hour according to the actual market price.

For example, the summer market price may dip

to about 2 cents per kilowatt-hour (kWh) after midnight, when electricity usage is at its lowest. However, as the day progresses, demand for power could push the price to 13 cents per kWh—or much more—in the late afternoon and early evening.

(Winter prices tend to be highest later in the evening.)

Compare that range to the utilities’ fixed summer rate of about 7 cents per kWh for most customers. (The utilities’ standard winter rates for most customers range from about 5.8 cents per kWh to 7.2 cents per kWh.)

Typically, the average hourly market price over a year is lower than the standard utility flat rates. The key to saving money in the real-time pricing program is reducing your electricity usage during those “peak” electricity usage times, when market power prices are at their highest.

How do I learn more about real-time pricing?

ComEd’s real-time pricing program:
Go to www.thewattspot.com, or call 1-866-928-8776. The program is managed by Comverge, a New Jersey-based energy-management company hired by ComEd.

Ameren’s real-time pricing program:
(Power Smart Pricing)
Go to www.PowerSmartPricing.org, or call (877) 655-6028. Ameren’s program is managed by CNT Energy, a Chicago nonprofit organization.

How can I save money in the program?

The real-time pricing program gives you a number of tools to help you adjust your electricity-usage habits. If the price is expected to climb above a certain predetermined level (13 cents per kWh), you will be called or e-mailed the night before, allowing you to change your power usage the next day to avoid any high-price times.

On a regular basis, you can plan your energy usage by checking the “day-ahead” prices—a

highly accurate estimate of the approaching day's hourly prices—either by phone or via the Internet.

The program also will provide tips on cutting your energy costs and personalized online account information to track whether or not you are saving under the program.

Is the real-time pricing program right for me?

If you consistently use above 400 kWh in a month or have a monthly electric bill that is more than \$40, this program could be right for you. It's perfect for people who want to take more responsibility for their electricity usage and are curious about how to cut their power bills by changing when they use their electricity.

The program isn't right for people with relatively small bills and those who prefer the simplicity of paying a fixed rate for power. Others, such as senior citizens or families with small children may not be willing or able to change their electricity usage patterns because of family responsibilities or health concerns. Likewise, customers with electric heat may not be able to turn their thermostat down at high-price times.

Such customers may need to use their dishwasher or air conditioning a lot during peak power-us-

Real-time Tips for Saving Money

Check out CUB's fact sheet, "Energy Saving Tips for All Seasons," for general advice about cutting costs. Here are some specific things real-time pricing customers can do during "peak" hours:

-Temporarily change your central air conditioner to a warmer temperature. If you have a window air conditioner, turn it off or put it on a warmer setting.

-If the summer heat gets to you, plan a trip to the beach or a pool during the peak hours. You also can go to an air-conditioned public space, such as a movie house, a museum, an art gallery, a shopping mall, or library.

-Eat cool meals (sandwiches, salads, etc.) that don't require use of the oven or stove. Also, use the microwave, which is a more efficient heater. Of course, you can always grill out in the summer.

-Don't use the dishwasher, washer and dryer, basement dehumidifier or any other energy guzzler until the evening or night brings lower prices.

age times, when the market price of power at that moment could be well beyond the regular utility flat rate.

What are the requirements of the program?

The program requires a minimum 12-month commitment. It also requires a special meter that reads electricity usage on an hourly basis. The meter, which has to be accessible to the power company, will be installed at no charge, but you will have to pay a \$2.25 monthly fee for leasing it. (Typical savings should more than cover the \$27 annual cost of this fee.) ComEd's real-time pricing program is authorized to take a total of 110,000 customers over the next four years, including 15,000 this year. There is no limit for customers of AmerenCILCO, AmerenCIPS, and AmerenIP.

How will my electric bill look different?

You will pay all the charges on your electric bill now, with two differences. First, your monthly bill will have the \$2.25 monthly "meter lease" fee added to it. (This charge is in addition to the "meter charge" already on your bill. That fixed charge, which all electric customers pay, covers the costs associated with such tasks as meter reading and testing the meter equipment.)

Also, you won't pay your utility's standard per-kilowatt-hour electricity rate. Remember, under real-time pricing, you could be charged a vastly different rate for each hour of electricity usage over the course of a month. Your bill will include the number of kilowatt-hours you used over the course of the billing period and a total cost for that electricity. (Ameren customers who want more detail will be able to find an online breakdown of how much electricity they used and the rate they paid each hour over that period.)

Both the ComEd and Ameren programs will supply a comparison of what you would have paid under your utility's standard rates versus what you paid in the real-time pricing program. This bill comparison will be available over the Internet or, if you request it, by mail.

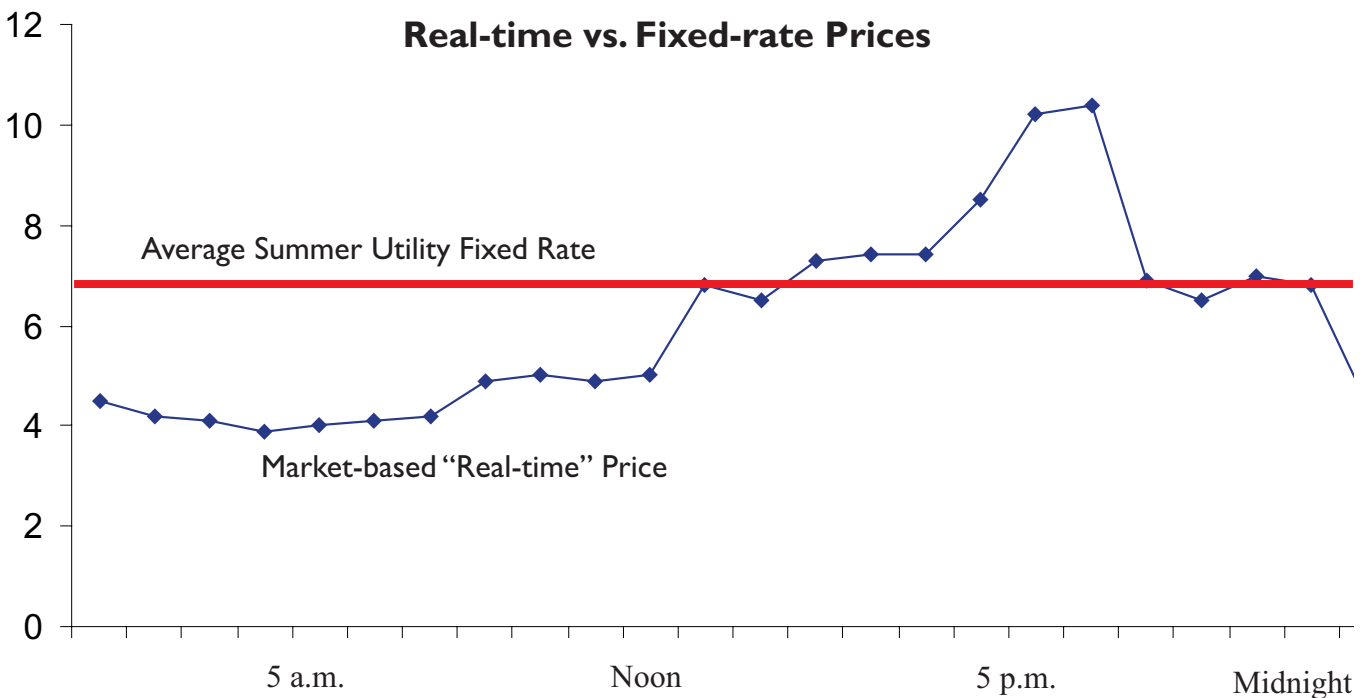
What is "Load Guard"?

Load Guard is a free, optional program for a limited number of ComEd's real-time pricing customers who own their homes and have cen-

tral air conditioning. It uses the same technology as ComEd's "Nature First" program, in which a special device is attached to the customer's central air conditioner, allowing the utility to send remote signals to your home to "cycle" the flow of power to the cooling unit (i.e. to turn the cooling on and off) at peak times of energy usage.

With "Load Guard," customers are able to automate their central air conditioners to turn off for 15 minutes, then on for 15 minutes, and so on during two-hour periods of high prices. Customers can choose to enter into this "conservation mode" when power prices hit either 10 cents per kWh (called the Green Level, for people who want to make more of an environmental impact) or 14 cents per kWh (called the Blue Level). Once you enroll in Load Guard, you can just choose a price level and stick with it, or you can change the setting for the next day. (In fact, you even can choose not to activate the program for the next day.)

Typically, Load Guard isn't expected to change a home's temperature dramatically—maybe as little as 1-3 degrees.



This is a snapshot of a random summer day. It shows how the market-based "real-time" price of electricity shoots high above or dips far below the traditional utility fixed rate. Typically, the average hourly market price over the year is lower than the standard utility fixed rate.