With the introduction of smart meters across Illinois, more dynamic pricing plans are becoming available to consumers. “Time-of-use” electricity pricing—which charges different rates for different periods of the day—is one such plan. The plan may not be for everyone, but it could help certain consumers save money.

**How does it work?**

Traditional electric utility rates charge a fixed price per kilowatt-hour that changes only by the season (summer and non-summer). Time-of-use plans, however, take advantage of the fact that the market price for electricity can vary widely over the course of a day. Demand is at its “peak” in the middle of the day when industry is working hardest and people are running household appliances, like dishwashers and air conditioners. “Off-peak” time is in the middle of the night when most people are sleeping and commercial buildings are closed. In a time-of-use-plan, customers pay certain fixed rates for electricity usage during “peak times,” and lower rates during the rest of the day.

**What are the benefits?**

The idea of dynamic pricing plans, like a time-of-use rate, is to encourage people to use electricity during off-peak times. That has a number of benefits:
- Participants can lower their electric bills by putting off heavy electricity usage until the period when the rate is lower.
- Reducing electricity usage during peak times reduces demand during those times, and that can lower market prices for everyone.
- Lower demand during peak times reduces the stress on the power grid, leading to better reliability.
- Power plants, which can be a major cause of pollution, don’t have to work as hard and new plants don’t need to be built if peak demand is reduced. So such programs can help reduce pollution.

Although a time-of-use rate offers the opportunity to save money without reducing your power usage, energy efficiency combined with a time-of-use plan can significantly increase savings.

**Is a time-of-use rate right for me?**

It depends. If you are willing and able to change your usage patterns—washing clothes or running the dishwasher at night, for example—the program can offer significant savings over the standard utility rate. But if you do use appliances during peak hours, you risk higher bills.

As with any plan you’re considering, ask if there’s any type of early-termination fee. Also, watch out for automatic contract renewals and ask how an offer changes after the initial year.

**How will my bill change?**

You will continue to get one bill from ComEd, but new charges will show up in the supply services portion of your bill to show your usage during peak and off-peak times, and the respective rates you will pay for those times. ComEd will continue to bill for delivery services and taxes.

**How can I sign up?**

Currently there are no TOU plans being offered in Illinois. CUB has called on both Ameren and ComEd to offer their own plans, but so far those companies have not.