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.

In April 2020, the Illinois Commerce Commission (ICC) voted to allow ComEd customers to participate in an optional, four-year TOU pilot program. The program will likely be launched later this year or in early 2021. Also, the Clean Energy Jobs Act, the most consumer-friendly energy bill proposed in Springfield, includes a provision for a statewide TOU program.

**How Does Time-of-Use 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 delaying heavy electricity usage until lower rate periods.
- 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.

**How Does ComEd’s TOU Program Work?**

Under the optional, four-year time-of-use pilot program, three pricing periods will be established: Super Peak (2 p.m.-7 p.m.), Off Peak (10 p.m.-6 a.m.) and Peak (all other times), with prices lowest during the Off Peak and highest during Super Peak periods.

ComEd will determine the exact price per kilowatt-hour customers will be charged during each period.

Currently, the price that most customers pay for electricity—called the “default” rate—only changes about twice a year. As a result, default pricing ignores the reality that market prices are often lower than standard utility rates, and only get extremely high during those few times of system-wide peak demand. Customers who can shift non-essential energy use to times of day when the prices are lower can benefit.

**Is a Time-of-Use Rate Right for Me?**

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.

**How Can I Sign Up?**

Currently there are no TOU plans offered in Illinois, but CUB will alert consumers when ComEd’s TOU pilot program is launched. For years, CUB has called on both Ameren and ComEd to offer their own TOU plans, and we are fighting for the Clean Energy Jobs Act (CEJA), state legislation that calls for a statewide TOU plan.