



# How to Shop for Electricity



**An independent guide to  
understanding the key  
decision factors in  
switching your electric  
provider**

We started ClearlyEnergy with one goal in mind:

*Empowering you with a clear and informative platform to simplify your energy choices*



Norma Jean Autry – co-founder  
Retail energy market guru, passionate on finding ways to lower energy and water bills.

Véronique Bugnion – co-founder  
PhD in climate physics, avid composter and the ultimate energy nerd.



***“Whether you are searching for a new electricity or gas provider, or shopping for appliances, our search engines provide you with all the energy facts, allowing you to make the decisions that best meet your needs”***



# Contents

- » Chapter 1: What is electric choice and how does it work?
- » Chapter 2: Choosing your retail electricity provider

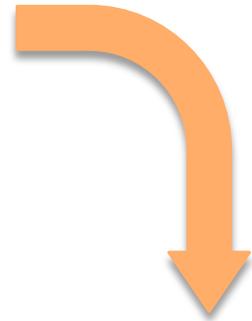


# WHAT IS ELECTRICITY CHOICE AND HOW DOES IT WORK?

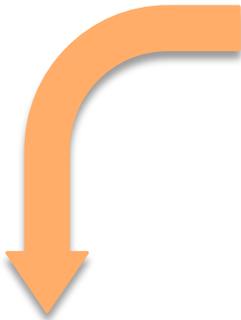


# Why do I have a choice?

**Deregulation creates choices for the consumer!** You can choose who provides your electricity.



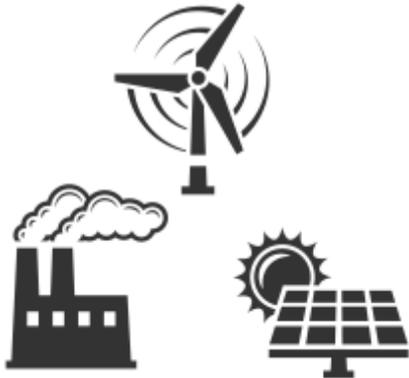
More choices means different **companies compete** for your electric business.



Competition between providers **lowers the price you pay** and allows **you to pick the plan** with the features you want.



# How does deregulation work?



## Generation Companies

produce the electricity we consume



Provider A

Provider B

Provider C

## Retail Electricity Providers

purchase electricity on your behalf



## A Local Utility Company

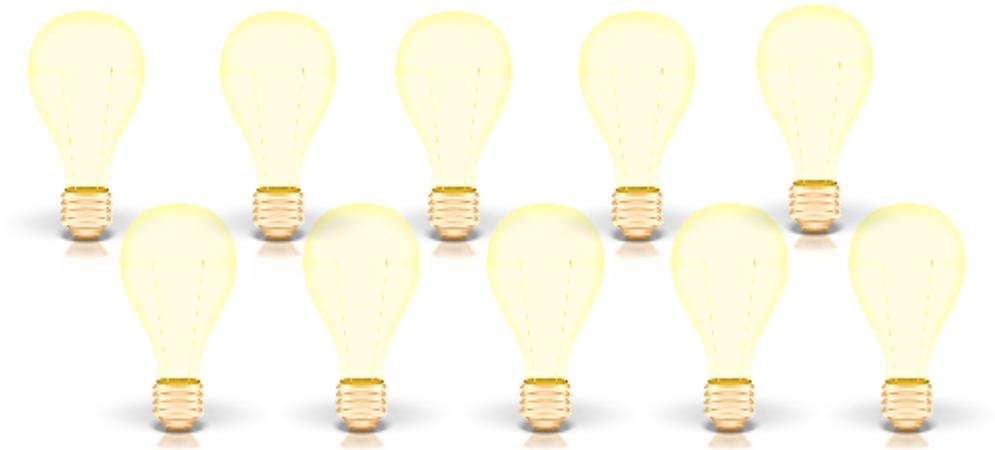
is responsible for maintaining the wires and transports the electricity to your home

# How is electricity priced?

Electricity is priced in cents per kilowatt hour (¢/kWh) or dollars per kilowatt hour (\$/kWh)

## What is a kilowatt hour?

One way to think about a kilowatt hour is the amount of electricity needed to keep ten 100 watt light bulbs burning for one hour



A typical home uses about **900kWh per month** for normal lighting, appliances and air conditioning

# What changes in my electric bill?

▶ **Account Number** 0000000000

Name

▶ Service Location

▶ Phone Number

▶ Issue Date July 2, 2012

## Bill Summary

▶ Previous Balance	\$61.21
▶ Total Payments - Thank You	\$61.21
▶ <b>Amount Due on July 24, 2012</b>	<b>\$81.78</b>

## Meter Information

Read Date	Meter Number	Load Type	Reading Type	Previous	Meter Reading Present	Difference	Multiplier X	Usage
7/2	999999999	General Service	Total kWh	58424 Actual	59102 Actual	678	1	678

Electricity Supply Charge will change depending on the retail provider you choose

Your local utility will remain in charge of transmission

The rest of your electric bill should remain unchanged

**Service from 5/31/2012 to 7/2/2012 - 32 Days**

▶ **Residential - Multiple**

### Electricity Supply Services

**\$50.80**

Electricity Supply Charge	678 kWh	X	▶ 0.06177	41.88
Transmission Services Charge	678 kWh	X	0.00816	5.53
Purchased Electricity Adjustment				3.39

### Delivery Services -

**\$26.76**

Customer Charge				6.86
Standard Metering Charge				2.76
Distribution Facilities Charge	678 kWh	X	0.02407	16.32
IL Electricity Distribution Charge	678 kWh	X	0.00121	0.82

### Taxes and Other

**\$4.22**

Smart Meter Program				0.02
Environmental Cost Recovery Adj	678 kWh	X	0.00027	0.18
Energy Efficiency Programs	678 kWh	X	0.00161	1.09
Franchise Cost	\$26.19	X	2.64000%	0.69
State Tax				2.24

**Total Current Charges**

**\$81.78**

Same Bill

You switch online in a few minutes, no home visit required



# CHOOSING YOUR RETAIL ELECTRICITY PROVIDER

# Pick the Plan that Fits You

*At [www.ClearlyEnergy.com](http://www.ClearlyEnergy.com) we make it easy to compare the electricity plans available to you*

## You Choose:



Fixed or variable



Up to 100% renewable energy



Monthly, 6 months, 1 year & 2 year terms available

# Pricing: Fixed vs. Variable

## Fixed Price

Under this option, you pay a **set price** for electricity supply throughout the term of the contract

- ✓ These rates protect you from increases in electricity prices and help budget your energy costs
- ✗ Contracts typically have termination fees. You end up paying more if energy costs decline

## Variable Price

This option allows the supplier to **change the price on a periodic** basis to track the wholesale cost of electricity

- ✓ Contracts don't lock you in to a long-term commitment, so you can switch plans as you please
- ✗ Rates can increase anytime without notice. If you choose this kind of rate you should be willing to monitor rates on a regular basis



# Going Green is Easy

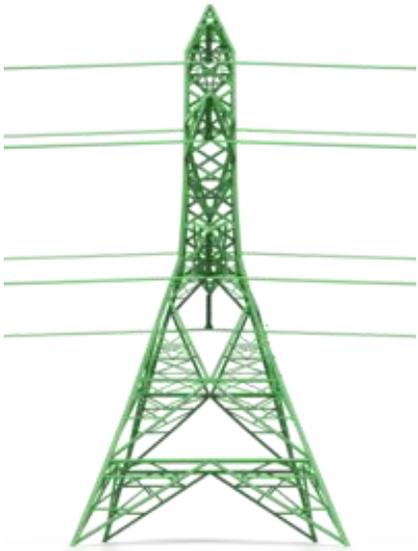
If you are looking to protect the environment and support renewable energy you can choose a plan with a high percentage of **renewable energy**.



You can select plans with up to 100% renewable energy from sources like wind and solar.

It is even possible to select an electricity plan from wind farms local to your area, they are labeled *neighborhood* or *regional wind* in ClearlyEnergy's search results.

# How Green Plans Support Renewable Energy



The electricity you receive in your home comes from a pool of resources connected to your regional electric grid.

For every unit of electricity generated from a renewable facility, like wind or solar, a corresponding renewable “certificate” is created.

When you choose a green plan your retail electricity provider will purchase enough renewable certificates to match up to your power consumption, greening the grid.



Green-e is the nation's leading independent certification and verification program for renewable energy.

# Going Green = Planting Trees

At ClearlyEnergy we make it easy for you to understand the impact of selecting a renewable plan with our *tree equivalents*.

Trees help remove carbon dioxide out of the air and replace it with oxygen.

Renewable resources produce energy with no carbon impact on the atmosphere.

We convert this positive environmental impact into an equivalent number tree seedlings planted and grown for 10 years.

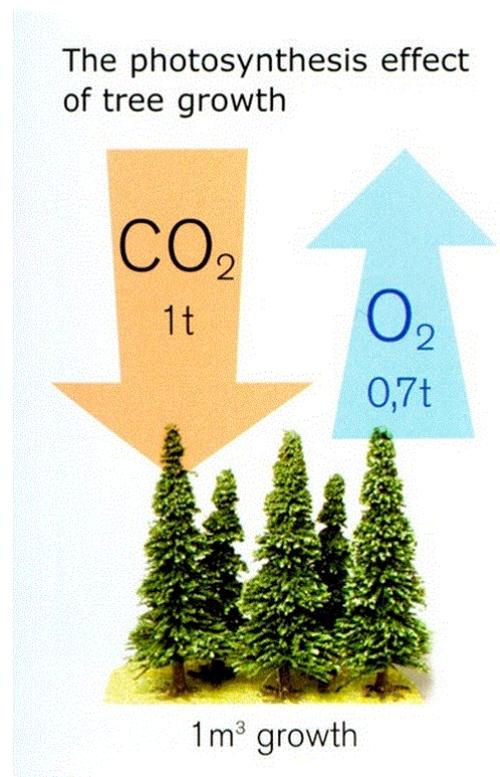


Image Source:  
[www.wrsc.org/attach\\_image/photosynthesis-effect-tree-growth](http://www.wrsc.org/attach_image/photosynthesis-effect-tree-growth)

# Understanding the Fine Print

## Term

Terms vary from a few months to several years. The most common contract length is one year.

## Automatic Renewal

It is important to review the renewal terms. Some contracts will automatically renew at the end of the contract term and may change to a variable rate.

## Termination Fees

Just like with cell phone plans, some retail electric providers charge a termination fee if you change your plan before your contract is up.

## Switching Fees

If you are switching from your local utility there are no fees for selecting a retail electricity provider.

# 6 things to keep in mind

- » Find out whether you live in a state that offers electricity choice
- » Learn about your local utility offer and its prices
- » Set your priorities to achieve an informed electricity choice: are you focused on savings? The environment? Price stability?
- » Visit [www.clearlyenergy.com](http://www.clearlyenergy.com) to compare all options
- » Research the company's website and the office of consumer's advocacy
- » Use [www.clearlyenergy.com](http://www.clearlyenergy.com) to switch your electricity provider



# Happy Energy Shopping!

Find out more at [www.clearlyenergy.com](http://www.clearlyenergy.com)

Follow us online @ClearlyEnergy for the most informative and entertaining energy blog in the business. We make energy easy.

[www.clearlyenergy.com/blog](http://www.clearlyenergy.com/blog)

