



Smart Energy Design Assistance Center

SMART ENERGY DESIGN Assistance Center

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www.sedac.org

SEDAC

The Smart Energy Design Assistance Center (SEDAC) provides advice and analyses, enabling small businesses in the State of Illinois to increase their profitability through the efficient use of energy resources. SEDAC is sponsored by the Illinois Department of Commerce and Economic Opportunity's *Small Business Smart Energy Program (SB\$E)* and provides valuable services at no cost to small businesses. SEDAC is managed by the University of Illinois at Urbana-Champaign.

EVENTS

Illinois Renewable Energy Fair
August 11 -12, Oregon Illinois
Look for SEDAC's Booth

Corporate Climate Change
September 25 - 26, Chicago

IGSHPA Annual Conference
October 29-30, 2007,
Oklahoma City

Green Building: The Nuts and Bolts for Contractors

ONE DAY EVENTS

PRESENTED BY: Wilbur Wright College and the U.S. Green Building Council - Chicago Chapter. **October 26, November 30, 2007, and January 25, 08**

This Workshop is designed to educate the construction community about green building procedures and strategies, the LEED® rating system, and certification requirements.

Greenbuild 2007
November 7 - 9, 2007, Chicago

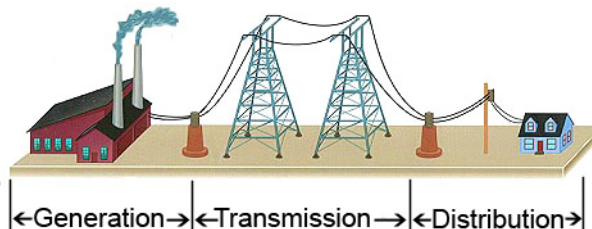
MEEA Conference
January 9 & 10, 2008, Chicago

SEDAC NEWS

12 Questions You May Have About Buying Electricity in Deregulated Markets

1. How does the electric system work?

There are three steps to providing electricity: generation (production of electricity...from coal, natural gas, nuclear energy, etc.), transmission (sending high voltage power from the power plant to distribution points), and distribution (delivering power to your business).



Source: <http://sol.sci.uop.edu/~jfalward/physics17/chapter9/chapter9.html>

2. What has changed?

Illinois now has a competitive market for electric service and the generation portion is open to consumer choice.

3. What will I be choosing?

You will choose who provides the generation portion. Power will be sold not only by your present electric utility company but also by other electric utilities and alternative retail electric suppliers (ARES).

4. Is switching electricity suppliers a simple process?

Yes, switching your electricity accounts to an ARES is a simple and straightforward process. Once you sign an agreement, the ARES is responsible for coordinating the transition with the utility. The ARES will use your electricity account information to ensure your accounts are enrolled in a timely manner.

5. What remains the same?

Your present electric utility company remains responsible for delivering electricity. They must provide reliable delivery service even if you choose a new supplier. The reliability of your electric service will not be affected by switching to an ARES. The local utility is still responsible for the lines and wires that deliver the electricity to your facility. There will be no difference in the power quality or reliability of your electric service.

6. Can we always return to our utility's service?

When an agreement is signed with an ARES, the customer is committed for the term of the contract. However, after the contract term has expired, customers can re-sign their agreement with the ARES, switch to another ARES or return to the utility.

7. How will I be billed?

If you choose to become a delivery services customer, expect changes in how you are billed. You may receive one bill from the new supplier, or you may receive separate bills - one from the electric supplier and one from the local utility company that delivers electricity to you.

The charges on an electric bill could include:

Generation charge for producing electricity

Delivery service charges for distribution service provided by the electric utility company to keep the transmission and distribution systems functioning so over...



ILLINOIS UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

EDUCATION

August 10: 9:30 am to 5:00 pm: **Basics of Architectural Lighting**, 7 HSW LUs in AIA/CES, \$225, Multi-University Center, Oak Brook.
Call 888/633-3603 to register.

Online Classes are available through SEDAC and the Office of Continuing Education at UIUC:

The Architecture of Sustainability: 10 modules - individual or packaged.
Module 1: 3 AIA LUs/CEUs-\$75.
Modules 2-10: 1 AIA LU/CEU- \$50.
Package of 10 modules: 12 AIA LUs/CEUs - \$450.

Energy Basics for Small Business.
Module 1: The Language of Energy: 1 AIA LU/CEU-\$25.

Registration is continuous at
www.continuinged.uiuc.edu
Click on Green Design

Illinois Green News

Although we have entered into a time when the average consumer shops at big box stores rather than supporting small businesses, hope for growth and support for a successful "green scene" is not lost. Thanks to Baum Development, a Chicago-based real estate development company specializing in the acquisition and redevelopment of underutilized properties, the Windy City will soon be home to America's first sustainable mall. The **Green Exchange** will be located in a 250,000 square foot property on Diversey near Western Avenue. This eco-friendly one-stop-shop is aiming to achieve LEED Silver certification for its building, but they're not stopping there. In addition to approximately 100 vendors, the **Green Exchange** will also host meeting and event spaces, shared business services, a bike room and showers, on-site restaurant and catering, a car-sharing service and priority hybrid parking. A grand opening celebration is planned for early 2008.

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customers can receive electric service.

Customer charge, which is basic service charge to partially cover the costs of billing, meter reading, equipment and service line maintenance.

8. Does switching to an ARES help our business gain control over our electricity expenses?

It may. Many companies feel that they have no control over their electricity usage. However, working with a full-service ARES can be the first step in developing a comprehensive energy strategy. A full-service ARES can provide tools that can show you how and where your electricity is being used and identify ways to save you money and use your electricity more efficiently.

9. Have consumers saved money in deregulated markets thus far?

The record for deregulation is mixed. Although prices are expected to fall in the long run, savings to date have been comparatively small. There are several reasons for this. First, the transition to fully competitive markets is not being done in a single step. Savings during the transition period were not expected to be very large in the early stages. Second, addition of generation capacity at utility plants has not kept pace with growth in power use, so power markets are starting out with tight supplies keeping prices high. Third, it takes time for new retail markets to mature. It will probably be five or more years before retail power markets offer meaningful savings and power supply options, however, deregulation has already resulted in a significant expansion of renewable power generation options.

10. Is aggregating our electricity demands with other businesses the best course of action when buying electricity from an ARES?

It depends on your consumption patterns and usage. One of the benefits of electricity competition is that businesses typically get customized quotations based on their rate class, usage patterns, and peak demand. Historically, utility prices have been based on a "one-size-fits-all" rate for each rate class (e.g. small, medium, large). Consequently, businesses with better load profiles have ended up subsidizing those with worse load profiles. Unless the aggregation is extremely large it may be in a business' best interest to seek customized pricing from an ARES.

11. Do ARES offer a variety of different service options to customers?

Yes, ARES offer different ways to purchase electricity. Some offer electricity in a manner that is similar to buying a mortgage - with a fixed rate or variable rate. Others offer more sophisticated ways to procure electricity. Some also bundle other services such as energy information tracking and even electricity from renewable power sources such as solar or wind power. Payment options and customer care also vary among suppliers.

12. Should I compare the price an ARES gives with what our business has paid in the past?

Yes, you should use your current utility's annual estimator at their website to see how your business' electrical costs will change based on last year's consumption and this year's rates. This should be compared to your new offers. Remember, just as there is a market price for oil and natural gas - there is a market price for electricity. There are many factors that affect the market price of electricity. These factors include: weather, natural gas prices, world events, and demand. Since the offer you get from an ARES reflects current market prices, comparing with historical prices is useful only as an indicator of general market trends.

To participate in the *SB\$E program*, please contact us at: (800) 214-7954 or info@SEDAC.org
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