

TAKE CONTROL OF YOUR ELECTRIC GENERATION



Small Business Development Centers
Helping businesses start, grow, and prosper.

The 1997 Pennsylvania Electric Generation Customer Choice and Competition Act gave all Pennsylvanians the right to choose their electric generation supplier. To ease the transition to a competitive market, the law capped electric rates at 1997 levels for a set period of time. **These rate caps are now expiring.**

Because the market price of electricity has risen since rates were capped, the Public Utility Commission (PUC) expects that customers may see an **increase** in their bills after the expiration of the rate caps. Some rate caps have already expired; others will expire at the end of 2010. All utility rate caps will **expire by December 31, 2010.**

All Pennsylvania residents have the right to choose their "electric generation supplier" or EGS, but the ability to switch depends upon where your business is located. Competitive offers may not be available in all areas. Your current electric company ("electric distribution company" or EDC) will continue to provide the transmission and distribution parts of your electric service. Based on the EDC that serves your region, you will be limited to their electric suppliers.

List of EDCs in PA

Allegheny Power	Penn Power
Citizens Electric Company	Pike County Light and Power
Duquesne Light Company	PPL Electric Utilities
Met-Ed (formerly GPU Energy)	UGI
PECO Energy	Wellsboro Electric Company
Penelec (formerly GPU Energy)	

[Map](#) of the Electric Distribution Company (EDC) Regions and list of correlating electric suppliers

GPU Energy	PECO Energy	Duquesne
Allegheny	Citizen's Power	Penn Power
GPU and PP&L	UGI	Wellsboro

UNDERSTANDING YOUR ELECTRIC BILL

An electric bill contains transmission, distribution and generation charges.

- Distribution charges are regulated by the Public Utility Commission (PUC).
- Transmission charges are regulated by both the PUC and the Federal Energy Regulatory Commission.
- Generation charges, which are the majority of your bill, are based on the wholesale energy costs.

Each local electric utility has a "price to compare" (PTC). The PTC is the price charged by your local utility for the portion of your service that is open to competition.

The price to compare is given in cents per kilowatt hour (kWh). 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.



List of companies licensed by the PUC to be competitive generation suppliers (EGS), 3rd Party- brokers/marketers and consultants, and aggregators in Pennsylvania.

[PUC Licensed Electric Suppliers](#)



Disclaimer: Provided as Information Only

WARNING: WORKING WITH A THIRD-PARTY

Some people choose to work with a third-party who provides assistance finding new electric suppliers or provides energy consulting. Other third-parties act as intermediaries, brokers/marketers, who are actually involved in the receipt and payment of bills for their clients. The PUC urges customers to **use caution** when paying your electric utility or electric supplier through a third party. In general, if the consultant provides the power, accepts payment or handles the billing function, they must be **licensed by the PUC**.

CHOOSING AN ELECTRIC SUPPLIER

It is important to understand that consumers only have a choice as to a portion of their electricity service. The power lines that supply electricity to your business will still be operated by your local electric distribution company, and the rates for the delivery portion of your service will still be regulated by the Pennsylvania Public Utility Commission (PUC). But Pennsylvania consumers **can choose the company that sells the electric power**, or generation, that is delivered over those distribution lines. Some companies may offer electric generation service that is cheaper than the power sold by your local electric distribution company; some companies may offer types of generation that are cleaner to produce.

By shopping for competing suppliers, you may be able to save money, find suppliers that use green/renewable energy resources, or get different types of services. As you shop for electric suppliers, think about what is most important to you, and be sure to ask plenty of questions. You want to make sure that any electric supplier you purchase services from is licensed by the Public Utility Commission (PUC). You will also want to find out the "price to compare," the length and terms of your agreement, and whether there are any fees or penalties for switching suppliers. Use the PUC's [Electric Shopping Worksheet](#) to make an apples-to-apples comparison on price for the generation portion of your bill.

[CONSUMER ELECTRIC SHOPPING GUIDE](#)

Follow the above link for a guide to local electric suppliers. Inside, you will find a list of licensed electric generation suppliers along with their price per kilowatt hour. Compare with your electric distribution company to find the best savings.

IMPROVING SERVICES THROUGH AGGREGATION

Aggregation is combining the electrical requirements of multiple facilities to obtain a **better package of products, services or prices** than a single facility may be able to obtain individually. An aggregator is a person or organization that helps create an electricity buying group. The aggregator forms the group in hopes that it can use the economies of scale to obtain a better offer – usually a lower price – for the group members.

An aggregator can be an existing organization or it can be a new group formed expressly for this purpose. The members of the buying group often have certain attributes in common such as location, load profile similarities, business similarities, etc. Benefits of buying cooperatively include the ability to **purchase electricity at lower prices**. By developing large purchasing pools, there develops group buying power, volume discounts and even lowers the administrative and marketing costs to retail electric suppliers spent reaching the consumer market.

An aggregator:

- Does not actually sell power;
- Does not take ownership of the power; and
- Does not collect payment or prepayment for electricity service as distinguished from aggregation service.

A retail electric provider (REP):

- Takes ownership of the power it sells; and
- Bills and takes payment for power.

Both aggregators and REPs:

- Must comply with customer protection provisions;
- Must comply with the terms and conditions of service; and
- Must be licensed by the Public Utility Commission (PUC) and registered with the local regulated delivery company.

Learn more about maximizing savings through aggregation by contacting [EMAP](#), www.askemap.org or calling 877.ask.EMAP