

SAVIN ROCK CONDOMINIUM ASSOCIATION
WEST HAVEN, CT
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ELECTRICITY, THE ENVIRONMENT, AND YOU

The market for electricity is changing radically. As consumers, we should approach the purchase of electricity with the same care with which we make other purchases. Today, there are many more options available to the retail electricity customer. The purpose of this article is to make you aware of how your choice of an electricity supplier can impact both your pocketbook and the environment.

Your Pocketbook

First, let's focus on the pocketbook. Electricity is now a deregulated industry and therefore you can purchase your service from a number of providers. Your energy purchase actually covers a number of separate services, including energy generation and energy distribution. In the past, both services were purchased from a sole supplier – in West Haven, it was United Illuminating (UI).

Today, you can purchase your generation service from a number of different suppliers, and UI actively encourages its customers to shop around. In fact, UI itself no longer generates electricity but also shops around for the best deal on electricity, purchases it from generation service providers, and then resells it to retail customers. You will still purchase your distribution services from UI, and if you choose to purchase your generation services from UI it will resell generated electricity to you.

Energy Generation Supplier Selection

You can research competitive rates for retail electricity generation from the UI website, www.uinet.com. Option 'Choose an Electric Supplier' will give you basic rate information and will allow you to compare rates based on your own energy usage. You can also visit <http://www.ctenergyinfo.com/> or the Department of Public Utility Control (DPUC) website at www.ct.gov/dpuc.

Please keep in mind that the amount of money actually saved will depend upon your usage patterns over the course of each day. You should contact your energy supplier of choice for more information before deciding.

The Environment

Now let's examine the environmental impact of your supplier choice. Traditionally, energy has been generated from non-renewable sources such as coal, oil, natural gas, and nuclear power. Today, renewable energy sources are gaining ground. Renewable sources are natural resources which can be replenished-such as wind power, wave power, and solar power. Currently wind power is one of the fastest-growing segments of the electricity market.

Most large generation service providers will have a mixed portfolio of energy sources. Suppose you have calculated that Company A will provide you with the best rate for electricity. Company A may run a nuclear generator, a coal generator, an oil-based generator, and a wind generator. All of these sources combine together and lose their identity when they are placed on the energy 'grid' (the switching system and transmission lines). If you purchase your energy from Company A, you are supporting nuclear, coal, oil, and wind-based technologies, even though the electricity which is ultimately delivered to your home may have been placed on the grid by Company B. (Remember - once the electricity is placed on the grid, it is mixed in with all other suppliers' electricity and therefore it is impossible to isolate each company's contribution individually.)

If you care about the use of renewable resources, you should research how your generation service provider generates electricity. You may decide to choose a supplier which is not necessarily the lowest cost, if that supplier is generating power through wind, solar energy, or another renewable source.

Clean Energy Options

This is an exciting time for energy. You may have noticed wind generators cropping up in various locations and individual solar-powered homes and businesses.

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The DPUC (www.ct.gov/dpuc) actively supports the generation of clean, renewable energy and small suppliers. It does this by setting targets for clean energy generation and by providing an outlet for clean energy suppliers to reach the retail market.

There are many small suppliers entering the electricity market and not all of them have the capability to sell directly to retail customers like you and me. However, they can still participate in the retail market by way of an instrument called a Renewable Energy Certificate (REC). A REC provides an indirect way for end consumers to support clean energy.

A REC is documentation that proves that 1 megawatt-hour (MWh) of electricity has been generated through a renewable source. Remember that the 'grid' contains commodity electricity from all suppliers. By purchasing RECs, you are claiming the MWh. It's the closest you can come to actually isolating that MWh of electricity and saying that you have used it. (Note: 1 megawatt=1000 kWh)

You may have noticed an insert in one of your recent electric bills which gave you the option to sign up for programs through Sterling Planet and Community Energy, Inc. Both Sterling Planet and Community Energy Inc have been licensed by the DPUC as clean energy companies. However, neither company actually generates electricity. Instead, they make a market by buying and selling RECs. If you sign up with one of these companies, you will actually be purchasing RECs. The money you pay for a REC will be used by clean energy generators to make more clean energy and to grow. Signing up for a clean energy program allows you to make an investment in the future of clean energy.

For more information, please visit www.ctcleanenergyoptions.com