



## CHANGES PROGRAM

# Choosing an Electricity Rate Plan

The amount you pay for electricity depends on the rate plan you choose.

You can select a rate plan from your utility that works best for you and your family. Some plans are based on *how much* electricity you use, and others are based on *when* you use electricity.

## How is Electricity Use Measured?

The unit of measurement that your utility company uses to determine how much to bill you for the amount of electricity you use is called a kilowatt-hour (kWh).

For example, if you buy gasoline, you pay for the number of gallons you buy; or if you buy fabric, you may pay for the number of meters you buy. With electricity, you pay for the kilowatt-hours of electricity you use in a specified period. Your utility company uses a meter that is connected to your home to measure your electricity usage. One kWh is equivalent to using 1,000 watts for 1 hour.

## Rate Plans

Each utility company has a variety of rate plans. You can choose the plan that best fits your schedule and needs.



### Tiered Rate Plan

Your electricity rate plan is organized into tiers. You begin each billing period at the lowest tier. This is your Tier 1 allocation of kilowatt-hours, which has the lowest price per kWh. As you use more electricity you then move to a different tier in which the price per kWh increases. The best way to keep energy costs low is to limit your total energy consumption so you pay for it at the lowest possible rate (or tier).



### Time-Of-Use Plans

The cost per kWh in a Time-Of-Use (TOU) plan depends on the time of day and day of the week that you use electricity. If you can plan your electricity use for times when the rates are lowest and demand on the power grid is low, you may save money on a TOU plan. In TOU plans, certain hours are considered peak hours (when the most electricity is being used). Electricity used during peak hours costs more per kWh. In most cases, TOU plans have peak hours from 4 p.m. to 9 p.m. Rates are different during some weekend hours as well.

There are also different rate plans available for those who have solar power or who drive electric vehicles.

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California Public  
Utilities Commission

505 Van Ness Ave.  
San Francisco, CA 94102

415-703-2782  
800-848-5580 (Toll Free)

[cpuc.ca.gov](http://cpuc.ca.gov)



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## CHANGES: Choosing an Electricity Rate Plan

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### How to Choose a Rate Plan

To choose a rate plan, first consider how and when electricity is used in your home.

- Are there times of the day when all your family members are at work and school?
- When does your schedule allow time for household chores?
- Is your family's schedule flexible? Are you able to change the days or times that you use appliances?
- Are you an early riser or do you stay up late at night? Does your work schedule change often, or is it a regular schedule?

The needs and schedules of every household are different. If you can make changes to when you use electricity, such as changing the times when you do chores, you may be able to save money with a Time-of-Use plan.

Some plans or utility companies allow you to change your rate plan once per year. Others may require you to make a 12-month commitment to remain on a rate plan before you can switch to another plan. Changing your rate plan may take up to two billing cycles to take effect.

Utility companies have online tools that can guide you on choosing a plan for your needs.

Your CHANGES organization can assist you with using those tools and choosing a rate plan that works best for you and your family.

### For More Information:



**VISIT:** [www.cpuc.ca.gov/team-and-changes](http://www.cpuc.ca.gov/team-and-changes)



**EMAIL:** [ravinder.mangat@cpuc.ca.gov](mailto:ravinder.mangat@cpuc.ca.gov)

