



Electricity Competition IS the Public Interest



WATT's UP? April 2010 Newsletter

COMPETE Members and Michigan Businesses Urge Restoration of State's Competitive Electricity Market

Last week, 37 Michigan businesses – many of them COMPETE members - sent a letter to Governor Jennifer Granholm and leaders of the state Legislature urging them to pass legislation restoring competitive electricity options for consumers, which would provide consumer rate relief, stimulate clean energy development and create green jobs. The combined signatories represent 877 Michigan facilities, over \$278 million in annual electricity sales in the state, 74,634 Michigan employees, and countless customers.

The businesses encouraged lawmakers to revisit legislation adopted in 2008 that significantly limited electric customers' ability to shop for competitively priced electricity supplies by granting monopoly protections to utilities, such as Consumers Energy and DTE Energy, allowing only 10 percent of their electricity demand access to retail choice. When first considered in 2008, supporters of the re-monopolization legislation claimed the limit on competition would never be reached and too much was being made about the restriction on customer choice. The cap was reached, however, in less than a year, and now that electricity rates in Michigan rank among the highest in the region, the arbitrary cap on competition locks businesses, governments, schools, and hospitals into escalating rates when they can least afford it.

[For more information >>](#)

FERC Sees Benefits for Consumers in its 2009 State of the Markets Report

The Federal Energy Regulatory Commission recently received the FERC staff's 2009 State of the Markets Report, which showed competition delivering significant benefits for consumers. Prices for natural gas dropped by 50 percent across the country and as a result electricity rates declined proportionately in the organized competitive markets where gas is a key generation fuel. Costs for both natural gas and electricity were at their lowest levels since at least 2002.

The state of the markets for consumers in 2009 was "extraordinary," declared Commissioner Philip Moeller. The report, which showed prices in the New York and New England markets at the lowest since their inceptions in 1999 and 2003, "should be plastered on the sides of buildings," declared Moeller.

Commissioner Marc Spitzer credited market forces for spurring the "technological innovation" making production of natural gas from shale geologic formations possible. The resulting increase in supply is benefiting electricity ratepayers, Spitzer noted.

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America: Powered by
Competition

The COMPETE coalition represents more than 400 electricity stakeholders, employing nearly seven million American workers, including customers, suppliers, generators, transmission owners, trade associations, and economic development corporations - all of whom support well-structured competitive electricity markets for the benefit of consumers. For more information, please visit www.competecoalition.com.

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Independent Market Monitors Underscore RTO/ISO Market Performance

Attendees at a Capitol Hill briefing on April 20 heard directly from the independent market monitors for the majority of the country's regional transmission operator/independent system operator (RTO/ISO) markets.

The "Meet the Market Monitors" event, sponsored by COMPETE, convened monitors from [PJM Interconnection](#), which serves 13 Mid-Atlantic and Midwestern states and the District of Columbia; [Midwest Independent Transmission System Operator](#) (Midwest ISO), which serves 13 upper Midwest states and the Canadian province of Manitoba; [New York ISO](#) (NYISO), which serves New York State; [ISO-New England \(ISO-NE\)](#), which serves six Northeastern states; and the [Southwest Power Pool](#) (SPP), which serves nine Central, Southern and Southwestern states.

The market monitors discussed their role in ensuring the markets are run fairly, transparently and competitively, and assessing the operation of each RTO/ISO in annual state-of-the-market reports. The regional markets are well-structured and well-regulated, provide real economic and environmental benefits to consumers, and drive innovation and new investment – all the while ensuring system reliability, the monitors told Congressional staff and other attendees at the event.

[For more information >>](#)

Wind Continues to Gain Momentum in the U.S.

The wind industry continues to expand, and new areas for growth - such as offshore wind power and training programs - are emerging, according to the [annual wind industry market report](#) released early in the month by COMPETE member the American Wind Energy Association (AWEA). "Jobs, business opportunities, clean air, energy security-wind power is delivering today on all those fronts for Americans," said AWEA CEO Denise Bode in a press release.

Report highlights include:

- In state rankings, Texas consolidated its lead in wind capacity and in largest wind farms installed.
- Approximately 85,000 people are employed in the wind industry today and hold jobs in areas as varied as turbine component manufacturing, construction and installation of wind turbines, wind turbine operations and maintenance, legal and marketing services, transportation and logistical services, and more.

It's interesting to note that nearly 80 percent of all wind capacity is found in the competitive markets, while only 44 percent of wind energy potential and only 53 percent of electric demand is found in those areas.

[For more information >>](#)

Market Benefits Heard on Capitol Hill

RECENT BLOG POSTS:

[Expand Competition to Lower Michigan Energy Rates, Stimulate Economy](#)

[Clean Energy Thrives in PJM's Competitive Electricity Market](#)

[Market Monitors Explain Competitive Outcomes in Organized Electricity Markets](#)

The benefits of electricity competition were discussed at a recent House Energy and Commerce Subcommittee on Energy and Environment [oversight hearing](#) on the FERC.

"Organized wholesale electric markets create opportunities and encourage innovations that benefit consumers," FERC Chairman [Jon Wellinghoff](#) said in his prepared testimony.

Wellinghoff noted that one of the largest benefits of these markets is the ability to level the playing field between traditional generation resources and a wide range of resources including renewable energy, demand response, energy efficiency and distributed generation. "Removing barriers that keep renewable energy resources from competing in wholesale markets must be part of our strategy to move toward energy independence."

FERC Commissioner Marc Spitzer highlighted the link between competition and necessary system investments. "Competitive markets also play an important role in providing market signals to highlight where generation and electric transmission should be built," [noted Spitzer](#). "Consumers are the ultimate beneficiaries of these investments."

[For more information >>](#)

Google Policy Forum Touts Innovation as Key to Cleaner, More Affordable Energy

A Google policy discussion held earlier in the month focused on "unleashing innovation in home energy use" featured several speakers touting competition as a key ingredient to enabling consumer benefits through smart meters and energy management.

"With choice comes innovation," said Reliant Energy President Jason Few. "Competition could easily be part of making this [energy technology] transformation real," he said.

The "unleashing innovation" event came one day after Google, General Electric, Whirlpool, Tendril and more than forty other companies, associations and environmental groups - including COMPETE members AT&T, Comcast, EnerNOC, Itron and Johnson Controls - sent an [open letter](#) to President Obama asking for the administration's support to "unleash the forces of innovation in homes and businesses" to reduce greenhouse gas emissions and "save consumers billions of dollars."

"It's not fair to assume utilities are going to innovate. Their incentives aren't to innovate," said Nick Sinai, the U.S. Federal Communications Commission's energy and environment director. "Let's have a competitive market," he said.

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COMPETE Members In the News

On March 31st, the ***Baltimore Examiner*** spotlighted COMPETE member [Clean Currents](#), a company providing over 5,000 homes and businesses with wind or solar power. [The article](#) detailed how customers are able to choose their energy supplier because of Maryland's competitive electricity market. By shopping for power and opting for programs offered by Clean Currents and other similar companies, customers can reduce their electric bills while addressing their environmentally concerns.

On April 20th, COMPETE [was highlighted](#) by reporter David Roberts on Grist, one of the most influential and well-trafficked environmental blogs. Roberts focused on the steps he considers essential for reducing emissions while at the same time boosting the economy, and faulted monopoly protections for hampering competition and limiting the country's ability to develop clean energy resources.

On April 29th, COMPETE was featured in Crain's Detroit Business Journal for its leadership in advocating for greater competition in Michigan's electricity market. The article explored the debate over the states cap on competition, and included an interview with COMPETE Executive Director Joel Malina.

Membership Update - COMPETE at 427

COMPETE membership continues to grow, having reached 427 this month. We would like to welcome and extend our thanks to Aztec Solar Power (Wayne, PA); Center for Resource Solutions (San Francisco, CA); Champion Energy Services (Houston, TX); Chicago Clean Energy Alliance (Chicago, IL); EC Infosystems, Inc. (Garden City, NY); Maryland Clean Energy Center (Grasonville, MD); Metropolitan Energy (Chicago, IL); Payless Power (Fort Worth, TX); Reliable Power LLC (New York, NY); Superior Energy (Mississauga, Canada); and Yum! Brands, Inc. (Louisville, KY) who have joined since our last newsletter.

[For more information >>](#)

Membership Call to Action

COMPETE needs your help telling the coalition's story. If you're a COMPETE member who would like to share why you believe in competitive markets, or a competition success story, we'd love to hear from you. Email us at info@competecoalition.com and we will get back to you promptly.

COMPETE New Member Profile

Yum! Brands, Inc., based in Louisville, Ky., is the world's largest restaurant company in terms of system restaurants with more than 37,000 restaurants in over 110 countries and territories and more than 1 million associates. Yum! is ranked #239 on the Fortune 500 List, with nearly \$11 billion in revenue in 2009. Four of its restaurant brands - KFC, Pizza Hut, Taco Bell and Long John Silver's - are the global leaders of the chicken, pizza, Mexican-style food and quick-service seafood categories.

Did You Know?

The U.S. Energy Information Administration's ***Short-Term Energy and Summer Fuels Outlook*** predicts the annual average national residential electricity price will hold steady this year and increase only slightly next year. EIA expects residential electricity prices to average 11.5 cents per kilowatthour (kWh) in 2010 and 11.7 cents per kWh in 2011.

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