



Electricity Competition IS the Public Interest



WATT's UP? December 2009 Newsletter

Competitive Electricity Markets Thriving, Concludes Energy Retailer Research Consortium

Competitive electricity markets create jobs while promoting energy efficiency and renewable energy development, concludes a study released December 7 by the Energy Retailer Research Consortium, an independent research group that supports retail electricity competition. The Annual Baseline Assessment of Choice in Canada and the United States (ABACCUS) found that customer choice is thriving in many U.S. states and Canadian provinces because well-structured electricity markets are fostering the introduction of numerous product offerings and services that are not available from monopoly electricity providers.

[For more information >>](#)

Competitive Future is Better for Pennsylvania

It's a human trait to look back on the past as a time when things were better, John Hanger, Secretary of Pennsylvania's Department of Environmental Protection, told participants at a recent conference in Harrisburg. But when it comes to [monopoly regulation](#) of the state's electric utilities, "I don't look back with fondness to how that system was working," Hanger continued.

[For more information >>](#)

NYISO Marks 10-Year Anniversary

On December 1, the [New York Independent System Operator \(NYISO\)](#) – created in 1999 to independently operate New York's bulk electricity grid and administer the state's wholesale electricity market – marked its 10th anniversary. In its [announcement of the milestone](#), NYISO highlighted its work in helping New York State become a national leader in the integration of renewable power resources, development of advanced energy technologies and improvements in the efficiency of the power system.

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America: Powered by
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The COMPETE coalition represents 399 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.

Michigan Shuts Door on Consumers' Competitive Options

As of December 10, Michigan consumers in DTE Energy's service territory were no longer able to choose a competitive electricity supplier to serve their energy needs. As a result of a state law passed a year ago limiting choice for electricity users to 10 percent of each utility's demand, many customers are now denied the opportunity to achieve more competitive pricing and run their operations more efficiently. With the cap having been reached in August for Consumers Energy's territory, the door is now closed for approximately 90 percent of the state's load. Consumers who want more options and lower-priced electricity than their monopoly utility will provide no longer have the option to shop.

[For more information >>](#)

Kohl's Corporation Sets Aggressive Green Goals

After being honored as the "green power partner of the year" in September by the Environmental Protection Agency, Department of Energy and the Center for Resource Solution for its leadership role in buying green power, Kohl's Corp. continues its pledge to significantly reduce its company's carbon footprint. Earlier this month, Kohl's – a COMPETE member – made a commitment to the EPA to achieve net zero greenhouse emissions by the end of 2010.

According to press reports, Kohl's will continue to invest in projects to reduce the same amount of greenhouse gas emissions that the company emits into the atmosphere. The company said the effort will involve "all Kohl's facilities, including stores, distribution centers and corporate offices, as well as emissions resulting from business travel." Kohl's has more than 1,000 stores.

In 2007, Kohl's joined EPA Climate Leaders, a group of companies committed to reducing their impact on the global environment.

Rate Decreases in Competitive Markets

The 1.2 million customers in the Connecticut Light & Power's (CL&P) service territory will see their electricity bills go down \$7.29/month starting in January. The decrease is based on a decline of just over 10 percent on the electricity that CL&P buys on the open market. A company spokesperson remarked in press reports: "We continue to do all we can for our customers, and this is a step in the right direction."

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Rate Increases in Vertically Integrated Markets

RECENT BLOG POSTS:

[Conference to Explore Pennsylvania's Electricity Competition Opportunities](#)

[Lowest Natural Gas and Electricity Prices Since 2001 a Testament to Market Forces](#)

[Independent Reports Find Competition Working in Electric Markets Across the Country](#)

Households in Arizona could see a typical electric bill increase \$6.32/month starting in January if an Arizona Public Service Co. rate increase is approved by the Arizona Corporation Commission.

And residents in North Carolina will be paying 7.5 percent more for their electricity after Duke Energy received approval earlier this month for rate hikes from the North Carolina Utilities Commission. In addition, Duke Energy's industrial rates will raise 7.4 percent over the next two years, and large commercial users will see their rates go up 6.5 percent. Justification for the increases was in part to help Duke Energy pay for the expansion of its coal-fired power plant outside of Charlotte, North Carolina.

While the final rate hike was ultimately lower than the one originally sought by Duke Energy, one N.C. Utilities Commissioner, Robert Owens, dissented in his approval for the reduced increase, commenting, "Simply put, this is the worst possible time to raise electricity rates on Duke's customers and put a further drag on the North Carolina economy."

In the News

Illinois Makes the Case for Competition

The Illinois Commerce Commission's (ICC) fourth triennial report Retail and Wholesale Competition in the Illinois Electric Industry, says that 97 percent of the largest customers of the state's two biggest electric companies have now switched to competitive suppliers. On the heels of this report, former ICC member and Illinois Competitive Energy Association president Kevin Wright makes the case for competition in an op-ed published December 4 in the Springfield Journal-Register:

[For more information >>](#)

Texas "Retailing of Electricity" – a Model for Other States

Andrew N. Kleit, a professor at Pennsylvania State University, spelled out the challenges facing the state of Arizona as it looks to expand its generating capacity while increasing the availability of wind and solar power in an Arizona Republic op-ed published December 8. The ability for Arizona to achieve its diverse energy goals, he points out, "...is likely to be terribly costly without liberating Arizona's electricity market from heavy-handed regulation." Here is the op ed:

[For more information >>](#)

Membership Update – COMPETE at 399

COMPETE membership reached 399 this month with the addition of First Innovative Power (Houston, TX); First Point Power, LLC (Jamestown, RI); Public Utility Brokers (Maypearl, TX); Quandel Enterprises, Inc. (Harrisburg, PA); and WinCo Foods, LLC (Boise, ID).

Competition Innovation

The Galvin Electricity Initiative is a non-profit organization launched in 2005 to bring together many of the nation's leading electricity experts to reinvent the electric power system into one that is fundamentally more affordable, reliable and energy-efficient.

To learn more about Galvin's innovative business technology blueprint for the ultimate smart grid – the [Perfect Power System](#) – and other Galvin initiatives on innovation, go to www.galvinpower.org.

Did You Know?

On December 15 at the COP15 United Nations Climate Conference in Copenhagen, a group of high-tech companies and advocacy groups – including Google, Intel, General Electric, the National Resources Defense Council, the Center for American Progress, among others – urged governments to ensure consumers get real-time information on energy use in order to encourage energy efficiency and reduce green house gas emissions.

"By empowering citizens with information and tools for managing energy, governments and businesses around the world can harness the power of hundreds of millions of people to fight climate change--and save consumers hundreds of billions of dollars in the process," a [group statement](#) said.

The COMPETE Coalition agrees (see our recent blog post on the issue – www.competecoalition.com/blog/). Customers in competitive markets who can respond to market-based price signals enjoy a powerful tool to control and [reduce their power demand, electric bills, and greenhouse gas emissions](#).

All of us at COMPETE would like to thank you for your support this past year and wish you and your families happy holidays and a healthy and prosperous New Year!

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