



## ELCON – What Is It? How Does It Work?

ELCON – formally the Electricity Consumers Resource Council – is the national association representing large industrial users of electricity. It was created in 1976 as the federal government began to address electricity issues and industrial users realized that they could advocate policy in a more constructive manner by forming a united front. At the same time, industrial users hoped to create a technical resource for useful data and information that could be shared by member companies.

Since 1976, ELCON, at the direction of its member companies, has focused on federal and state policies that affect the price, availability and reliability of electricity service. ELCON's overarching goal is to allow members to purchase electricity in a competitive manner, thus lowering the cost of power for industrial users.

### **What Does ELCON Do?**

#### **Federal Regulatory Activities**

ELCON and its member companies recognize that much of the "real world" impact in electricity markets is determined through the regulatory process. Accordingly, ELCON is active at the Federal Energy Regulatory Commission (FERC). Activities undertaken at FERC include the following:

- On average, ELCON intervenes in more than 20 FERC cases per year. ELCON has been especially active on issues involving the transmission grid (RTOs, ISOs, etc.), market design and market power, reliability, demand response, and rates, tariffs and conditions.
- ELCON and member company representatives meet with FERC commissioners and staff on a regular basis.
- In addition to its legal briefs, ELCON prepares documents and technical papers for FERC use.

## **Federal Legislative Activities**

Through the years ELCON has worked both independently and through groups and coalitions to advance legislation consistent with its policy objectives. Following are examples of ELCON's legislative activities:

- Member companies and ELCON staff are frequently asked to testify at congressional hearings on electricity issues.
- ELCON staff and member company representatives meet regularly with Hill staff, often at the staff 's request.
- ELCON prepares fact sheets, talking points, technical papers and other documents for Hill use.

## **Other Federal Activities**

ELCON has been involved in the other major arenas influencing the development of electricity policy on a national basis. Examples:

- ELCON believes that the North American Electric Reliability Corporation (NERC) plays a crucial role in electricity policy as NERC develops the "rules of the road" for the transmission system by promulgating important new rules and standards on reliability. ELCON and member companies are active members of several NERC committees and working groups. NERC recently established a Compliance Registry that lists the entities that are subject to mandatory reliability standards (which are subject to large financial penalties for non-compliance). ELCON helped to ensure that only entities with the potential to have a "material impact" on grid reliability were included.
- ELCON regularly interacts with members and staff of the National Association of Regulatory Utility Commissioners (NARUC), the national association of state regulators. ELCON staff and member company representatives participate in many NARUC meetings, and ELCON has testified before State Commissions. ELCON's active participation helps state regulators understand the interstate nature of electricity issues and the impact of state rules and regulations on large industrial electricity consumers.

## **State Activities**

Through the years ELCON has been mindful of two, sometimes contradictory, paradigms. First, for many large electricity consumers, actions and policies undertaken at the state level can be more important than those at the federal level. Second,

unanimity on policy objectives at the federal level can sometimes be difficult to replicate among consumers in a particular state.

Every state has at least one (and in some instances more than one) group of industrial electricity users. ELCON's most usual course of action at the state level is to work closely with these state groups, as follows:

- ELCON facilitates networking among the state groups, hosting one or two meetings a year for state groups to convene and share notes and strategies. In most years, these are the only meetings where the state groups can interact.
- ELCON is a resource organization for the state groups, so that states can avoid duplication of activities (and thus duplication of fees).
- ELCON testifies in state proceedings and participates in state activities when requested by the state groups.

### **How Does ELCON Work?**

ELCON is organized around a committee structure that includes:

- A nine-member Board of Directors headed by three officers, a Chairman, a Vice-Chairman, and a Secretary-Treasurer (each serving a one-year term). Most Board meetings take place via teleconference.
- A Technical Committee -- the "work horse" of the organization -- which meets six to ten times per year and is responsible for all papers, issue profiles, analyses, etc.
- A Federal Relations Committee which meets as needed (usually one or two times per year) to coordinate lobbying strategy to further ELCON's objectives.

ELCON's dues are based on electricity consumed by a company at its domestic operations. There are five categories, ranging from \$8,000 to \$45,000 annually. Legal activities are undertaken "off-budget" and are billed annually as costs are incurred. Off-budget legal obligations are also apportioned according to electricity consumption, with fees ranging from \$1,625 to \$8,335 per year.