

ELCON PRESS RELEASE

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Statement of John Anderson, President of the Electricity Consumers Resource Council (ELCON) at the Press Conference on the Joint Filing of Electricity Customers, December 17, 2007

My name is John Anderson, I am president of ELCON, the national association of large industrial electricity users, and I would like to welcome you to this press conference. The other speakers today will be Donna Harman, president of the American Forest & Paper Association, Charlie Acquard, executive director of the National Association of State Utility Consumer Advocates, or NASUCA, Mark Cooper from the Consumer Federation of America, and Mark Crisson, the still new president of the American Public Power Association. We are here today to release a joint filing we and others made at FERC about the problems in today's organized electricity markets.

As I approached this press conference, I was reminded of William Shakespeare's opening line in "Richard III" – "Now is the winter of our discontent." Of course if you have been following ELCON's comments for the last few years, you know that this is at least our third winter of discontent, mixed with springs, summers, and falls of discontent as well.

And that discontent is clearly spreading. As this filing indicates, it is not just big industrial customers who now see major flaws in today's organized markets. This list of signatories is both lengthy and varied – as it should be – though not surprisingly there are no investor-owned utilities on this list.

At this point I should readily admit that we don't all see the same flaws, nor do we necessarily see the same solutions. But we do all recognize that the markets as constructed and operating today are not sustainable and they do not provide any consumer benefits.

As many of you know, ELCON was among the earliest and strongest advocates of competitive electricity markets, and we were among the first to support the ISO or RTO concept. We still believe that truly competitive markets can provide lower prices and better service for consumers. And we still believe that the ISO or RTO concept is necessary to provide the non-discriminatory transmission access that is essential to providing consumer benefits. But we have not seen true competition. And what we have seen emanating from the ISOs and RTOs in operation is a form of re-regulation with locational marginal pricing and capacity markets that have resulted in higher prices, poorer service, and record profits for some utility holding companies. This is not the world ELCON envisioned when we embarked on this road 15 or 20 years ago.

I have been encouraged recently by FERC's ANOPR – which, as this filing states, is woefully incomplete – nevertheless showed that FERC recognizes that problems exist. I am encouraged by recent meetings with several FERC Commissioners in which it became clear that even at the highest levels of FERC there is a desire to expand the process in the forthcoming NOPR beyond the four issues that were in the earlier proposal. So I am hopeful, that in July or August of next year, or perhaps July or August of the following year, we can hold another press conference and I can quote from a "Midsummer's Night Dream."

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ELCON, established in 1976, is the national association of large industrial users of electricity from virtually every manufacturing sector. ELCON members seek a reliable supply of electricity at competitive prices and have long supported federal and state efforts to achieve that objective. More information about ELCON is available at ELCON's website, www.elcon.org.