

ELCON PRESS RELEASE

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ELCON CALLS FOR TRULY INDEPENDENT INVESTIGATION OF PJM

“The market monitoring function is crucial in any of the so-called organized wholesale electricity markets,” asserted John Anderson, president of the Electricity Consumers Resource Council (ELCON). “That is why it is especially important that any investigation of PJM be conducted by a truly independent entity.”

Anderson’s comments came in conjunction with ELCON filing a brief yesterday at FERC regarding PJM’s obligation to maintain a credible market monitoring function in the face of claims from the incumbent market monitor that he faced extensive management interference.

Anderson explained that “one of the many problems ELCON members are finding in today’s markets is the complete lack of responsiveness to consumers, large and small. The governing process and stakeholder representation are stacked in favor of the supplier side. If the market monitor is unable to operate effectively, that just tilts the equation even more in an anti-consumer direction.”

ELCON’s brief takes no position on the merits of the allegations which have precipitated the investigation. However, the brief references the Joint Petition filed by numerous state consumer advocates and others and notes that those Petitioners have attributed “exorbitant rate hikes” in PJM to the “the PJM experiment.”

ELCON’s brief elaborated, stating that “the independence of the market monitor is key to pointing out market failures and illegal behavior, and recommending changes that can correct these problems and make organized markets more competitive.”

Anderson stated that “ELCON was perhaps the first major stakeholder group to call for competitive retail and wholesale electricity markets. We have not strayed from our support of that concept. But when we look at markets like PJM we don’t find competition. What we find instead is re-regulation resulting in failed markets. If these markets are to have any credibility with consumers, the market monitoring function is crucial. And for the market monitoring function to be effective, it must be truly independent of the market operators.”

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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.