

ELCON *PRESS RELEASE*

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STATEMENT OF JOHN ANDERSON, PRESIDENT OF THE ELECTRICITY CONSUMERS RESOURCE COUNCIL (ELCON), FOLLOWING FERC'S ACTIONS TO STRENGTHEN WHOLESALE POWER MARKETS, JUNE 21, 2007

Four cheers for FERC. Today's announcement that FERC will undertake an advance notice of proposed rulemaking (ANOPR) in an effort to make wholesale electricity markets more competitive is nothing but good news.

At today's FERC meeting, every Commissioner noted that there are problems in the organized markets. Several Commissioners noted that true markets are supposed to benefit consumers and protect consumers from exploitation. By their actions today, they tacitly admitted that restructured markets are not succeeding in achieving that objective.

In several White Papers and other documents over the past two years, ELCON has offered seven pre-conditions that we believe are essential to achieving competitive electricity markets. Today FERC has announced that, as part of its ANOPR process, it is seeking public comments on four of the issues that have been part of ELCON's advocacy – demand response, increasing opportunities for long-term contracts, strengthening market monitoring, and increasing the responsiveness of RTOs to customers. We applaud FERC's timely response.

However, this is just a first step. Problems have been recognized and there is now a process to solve those problems. But FERC now must find answers to the difficult question that Chairman Kelliher asked, "What can the Commission do to make wholesale markets more competitive?" ELCON and ELCON members will continue to be active participants in that exercise. Today's actions at FERC only begin to answer that very crucial question. As the Chairman has acknowledged, creating truly competitive markets will not be an easy task.

We recognize that there is no silver bullet providing a short-term fix. We are committed to working with FERC to find a workable solution – but we don't have forever – and we look forward to seeing FERC's next steps.

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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.