

ELCON *PRESS RELEASE*

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ELCON SAYS: “INDEPENDENCE OF MARKET MONITORS MUST BE GUARANTEED”

“The independence of Market Monitors must be guaranteed,” said John Anderson, president of the Electricity Consumers Resource Council (ELCON) in a letter sent today to FERC Chairman Joe Kelliher. “That independence,” continued Anderson “must not be violated.”

Anderson’s letter came in response to a recent filing at the FERC by the Organization of PJM States, Inc. (OPSI), comprised of the state public utility commissions in states within the PJM footprint. Ten of those commissions were specifically listed as supporting this filing which included harsh criticisms of PJM executives who allegedly ignored or severely modified recommendations from their Market Monitoring Unit (MMU). The MMU is the division within PJM that is charged with protecting consumers from market abuses.

ELCON has been a frequent critic of PJM and the other organized markets, charging among other things that the markets lack a customer focus. Anderson’s letter noted that “if the allegations are true, it is clear that, for PJM at least, the lack of consumer focus was due, in part, to senior PJM executives ignoring recommendations from the PJM’s Market Monitoring Unit.” Anderson went on to say that “this problem needs to be resolved as quickly as possible in order to maintain the reputation and credibility not just of PJM but of all ISOs and RTOs.”

Anderson’s letter commended FERC for its recently issued ANOPR on competitive markets. Part of that rulemaking, observed Anderson, is the issue of market monitors and market monitors’ independence.

“Effective market monitoring is an essential component” of achieving competitive markets, he wrote. “Sadly, as the OPSI submission clearly indicates, it is often a component that is overlooked or ignored.”

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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, including a copy of this letter, is available at ELCON’s website, www.elcon.org.