

ELCON PRESS RELEASE

FOR RELEASE: August 25, 2005

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ELCON OPPOSES ALLIANT'S PURPA FILING

“PURPA was intended to put more efficiently produced, more environmentally friendly power, generated by non-utility sources, on the grid,” said John Anderson, president of the Electricity Consumers Resource Council (ELCON). “Utilities have been fighting it since it was enacted in 1978. Now that Congress has passed a minor modification, utilities are seeking to implement major changes.”

Anderson's comments were in response to Alliant filing a petition for a declaratory order requesting that Interstate Power & Light Co. and Wisconsin Power & Light Co. be relieved of their obligations under Section 210 of the Public Utility Regulatory Policies Act (PURPA) to purchase power from cogenerators (FERC Docket EL05-143-000). Alliant operates in MISO which it alleges meets the requirements set in the recently enacted Domenici-Barton allowing Alliant to terminate the mandatory purchase obligation in PURPA.

“MISO's Day 2 markets have only been operating for less than five months,” stated Anderson. “They are so new it is impossible to tell whether they will provide the open and competitive markets that this new law requires. We have always stated that if there are competitive markets – if cogenerators find that they, in fact, have access to the grid in a nondiscriminatory manner – then we agree: PURPA guarantees are not necessary. But this market is still an infant – we should at least wait until it's an adolescent before we start making long-term decisions.”

Interventions at FERC on this docket are due on September 12.

“I expect the cogeneration community and the renewable energy industry will be very active on this issue,” noted Anderson. “Utilities have tried to repeal PURPA for 27 years, but what I heard Congress say is slow down and wait until we see truly competitive markets. America's manufacturers, who are both major users of electricity as well as self-generators, don't believe those markets exist right now. We believe that this is an important issue that probably merits a rulemaking procedure rather than a case-by-case decision. This filing clearly jumps the gun, but, knowing the utility industry, I expect to see several more false starts in the coming months.”

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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.