

ELCON *PRESS RELEASE*

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ELCON FILES AT FERC: ALLIANT'S ANTI-PURPA EFFORT SHOULD BE DENIED

The Electricity Consumers Resource Council (ELCON) has filed at FERC (Docket No. EL05-143-000), opposing Alliant's effort to seek relief from its obligations under the Public Utility Regulatory Policies Act (PURPA) to purchase power from cogenerators and others. ELCON was joined by the American Iron and Steel Institute, the American Chemistry Council, and state industrial user groups from Michigan and Wisconsin.

"Since PURPA's enactment in 1978, utilities have objected to the statutory requirement that they are obligated to purchase power from cogenerators and those producing power from renewable resources," stated ELCON President John Anderson. "But Congress specifically stated that it intended to 'encourage' cogeneration. Without such a statutory mandate, utilities simply would never buy cogenerated or renewable power. There would be no place to sell it. That is one reason why Congress enacted PURPA.

"We have always said," continued Anderson, "that if there were open markets where cogenerators can sell their power on a nondiscriminatory basis, we would not need PURPA. But those markets did not exist in 1978 and they do not exist today."

The recently enacted Energy Act added a section to PURPA, establishing the criteria under which utilities could file to be relieved of their PURPA obligations. Alliant was the first to seek such a declaratory order, asking that two of its subsidiary utilities (in Iowa and Wisconsin) not be obligated to purchase power from two soon-to-be-functioning wind generation facilities. ELCON's filing asserts that the new statutory criteria have not been met, and therefore Alliant's request should be denied.

ELCON's filing noted that the MISO market has only been operating since April 1, stating that "the nascent real time and day ahead markets are far too new" to meet the new law's criteria. It also emphasized that "FERC cannot conclude that long-term markets for power exist" as required by the new statute.

"Utilities have to realize that Congress added some very precise amendments to PURPA," Anderson said, "but Congress certainly did not repeal PURPA and it did not remove FERC's statutory obligation to encourage cogeneration. Alliant's request should be denied"

ELCON also joined the Electric Power Supply Association (EPSA), the American Wind Energy Association (AWEA) and numerous other groups in a second filing that similarly opposed Alliant's request. Both filings are available on ELCON's website (www.elcon.org).

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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. Many ELCON members cogenerate and are certified as Qualifying Facilities under PURPA. More information about ELCON is available at ELCON's website, www.elcon.org.

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