

# ELCON PRESS RELEASE

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Statement of John Anderson, President of the Electricity Consumers Resource  
Council (ELCON), January 25, 2007

After reading today's press reports about Exelon President John Rowe chiding the "naysayers," specifically including industrial consumers, for criticizing today's competitive wholesale electricity markets, I must take exception for several reasons.

As the spokesman for the national association representing large industrial electricity consumers, I would never criticize today's competitive wholesale electricity markets for one very simple reason – I do not believe such markets exist. Nor do any other industrial consumers that I know of.

Today's wholesale electricity markets are certainly restructured, but in no way can they be described as competitive. Competition is defined as having several buyers choosing to purchase from among several sellers. In today's supposedly competitive electricity markets there are certainly several sellers – Exelon's regulated and unregulated generators are not only selling electricity, they are making record profits in the process. But the buyers have little choice in product or price. There is only see a re-regulated market structure where the market organizer utilizes a single bid auction to set the price at a higher rate than would be the case under traditional regulation. This is not competition and, in the views of most consumers, has not resulted in significant price reductions for consumers, as Mr. Rowe claims. In fact, the higher prices, the lack of innovation, and the absence of any discernible consumer benefits in today's organized electricity markets probably explain why no *bona fide* consumer group supports these organized markets as they are currently structured and operating.

As a consumer representative, I am tired of utility executives, market operators and generation owners telling me about cost savings in the organized markets, when every consumer I know – from the largest company to the smallest homeowner – will tell you just the opposite

I can, however, agree with one part of the comments attributed to Mr. Rowe. Industrial electricity consumers were, in fact, early supporters of competition in wholesale and retail electricity (when utilities like Commonwealth Edison were among the strongest opponents).

And, the fact is, industrial users continue to be the strongest supporters of such competition. Although they found few consumer benefits in the traditional regulated market structure, they find even fewer consumer benefits in the newly re-regulated market structures we see in PJM and the other FERC-jurisdictional organized markets.

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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](http://www.elcon.org).