



THE ELECTRICITY CONSUMERS RESOURCE COUNCIL

Frequently Asked Questions ABOUT ELCON MEMBERSHIP

What is ELCON?

ELCON – **The Electricity Consumers Resource Council** – is the national association representing large industrial users of electricity. It was founded in 1976 by a group of companies seeking to present a united front as Congress prepared to consider a variety of legislative proposals on electricity. Although ELCON was originally envisioned as a short-term effort, the member companies found that there were always new issues – before **Congress, FERC, DOE and EPA** and in groups such as **NERC, NAESB and NARUC** – and that a united front continued to be necessary.

Who can join ELCON?

Only companies (not associations and not individuals) that are engaged in a manufacturing process may join as ELCON members. Through the years, ELCON members have come from virtually every segment of the manufacturing community. Companies must agree to support ELCON's pro-competition Basic Principles. Non-manufacturing companies, as well as associations and individuals, may become ELCON Affiliates with reduced benefits.

What benefits do I get as an ELCON member?

ELCON membership provides a variety of benefits. The first is **education**. ELCON holds three "Members Only" workshops each year where ELCON members interact with industry experts. The workshops focus exclusively on current issues chosen by the membership. ELCON members also receive regular information memos on breaking regulatory and legislative issues affecting electricity markets.

The second benefit is **intervention and advocacy**. In any given year, ELCON is an active party in over a dozen proceedings, mostly at FERC, where national precedents important to industrial electricity users may be set. In addition, ELCON members meet with FERC commissioners and staff as well as Members of Congress and congressional staff to discuss pending proposals and the anticipated impact those proposals will have on large industrial electricity users.

The third benefit is **networking**. ELCON's Technical Committee meets on a regular basis (roughly six times a year, with additional teleconference meetings) with their peers for discussions of common problems and debate alternative policy objectives.

And the fourth benefit is **staff assistance**. ELCON's three-member professional staff offers over 100 years of technical, industry, regulatory and public affairs experience. ELCON members can call on these staff for technical and non-technical assistance at any time.

Who in a company participates in ELCON activities?

For most companies, the most active participants are those individuals charged with energy management and procurement. For some companies, that may be only one person; for others, it may involve three or four. Typically these individuals will be members of ELCON's Technical Committee, the "workhorse" for ELCON activities. State and Federal government affairs staff may also be active. While ELCON's Federal Relations Committee typically meets only once or twice a year, ELCON staff and member company federal relations staff are active on a host of issues working through a number of groups and coalitions. In addition, in some companies, legal staff is involved in drafting and reviewing ELCON's many filings at the Federal Energy Regulatory Commission.

If my company joins ELCON, how much time will I spend on ELCON activities?

Most companies find that the three workshops (held at different locations around the country) are the most valuable part of ELCON membership, and nearly every company sends at least one person to each of those events. Each Workshop is held in conjunction with a Technical Committee meeting and a business meeting. About half of the companies send a representative to each of the other Technical Committee meetings (there is almost always a teleconference capability as well). There are a few companies that rarely participate, but benefit from the communications (mostly e-mailings) and access to staff. There are other companies that usually send at least one person (and sometimes more) to each meeting.

How are dues calculated and how much will ELCON membership cost?

ELCON dues are calculated on total consumption of electricity (not purchased electricity) at facilities in the United States. That total is based on each company's self-certification. ELCON does not attempt to verify this data.

There are five categories of membership based on electricity consumption. Dues include a fixed sum (ranging from \$7,500 to \$42,500 per year) and a variable sum (also based on electricity consumption) for legal interventions depending on legal costs for each year. Small meeting fees are also charged only to recover costs. The largest electricity users pay roughly \$50,000 per year and the smallest pay just under \$10,000.

What issues will ELCON be working on in the future?

Due to its small staff, ELCON focuses on those issues that its members have identified as priorities. Although ELCON members favor a diverse fuel base, for the most part, ELCON works on issues that are solely electricity related.

Current priority issues that are active before FERC include (but are not limited to):

- **Wholesale Market Restructuring** – Consistent tariff rules and policies throughout the nation generally make it easier to buy and sell power
- **RTO Development** – Non-discriminatory access to the transmission grid is the lynchpin for wholesale and retail competition
- **Demand Response** – An MWh of reduced demand is equivalent to an MWh of increased generation and should be compensated accordingly
- **Behind-the-Meter Regulation** – FERC, as well as state commissions and RTOs, should not regulate or assess fees based on a facility's gross load, but only on that part of the load reliant on grid operation.

Current issues before Congress include (but are not limited to):

- **Market Power and PUHCA** – PUHCA repeal, as sought by utilities, would likely result in an increase in utility mergers, reducing the number of competitors and increasing the potential for market power abuse
- **Transmission Incentive** – Rates of return for transmission construction and upgrades should be commensurate with the risk – inflexible formulas or other mandates on FERC, as proposed by some utilities, hinder construction of new transmission and are costly to consumers
- **Renewable Portfolio Standards** – A mandated percentage of renewable energy would raise rates for end users)
- **Cogeneration and PURPA** – Maintain the current PURPA guarantees, or their equivalent, enjoyed by cogenerators for purchase and sale of

power until there are truly competitive wholesale and retail markets.

Current issues before NERC and NAESB include (but are not limited to):

- **New Reliability Standards and Business Practices** – These rules will govern all bulk power transactions in North America, and ELCON is the first line of defense against rules that discriminate against loads or behind-the-meter generation
- **Role of Regional Reliability Councils** – The formation of FERC-approved RTOs calls into question the future role of NERC's network of Regional Reliability Councils.



www.elcon.org

For More Information About ELCON Membership Contact:

Lynn W. Elder
Consultant – Membership
P. O. Box 645
Sullivan, IL 61951
Tel: (217) 728-7072
Cell: (217) 259-7072
Email: elderlynn@one-eleven.net

Dr. John A. Anderson
Executive Director
ELCON
1333 H Street, NW – West Tower, Suite 800
Washington, DC 20005
Tel: (202) 682-1390
Email: janderson@elcon.org

John P. Hughes
Director, Technical Affairs
ELCON
1333 H Street, NW – West Tower, Suite 800
Washington, DC 20005
Tel: (202) 682-1390
Email: jhughes@elcon.org

Marc D. Yacker
Director, Government & Public Affairs
ELCON
1333 H Street, NW – West Tower, Suite 800
Washington, DC 20005
Tel: (202) 682-1390
Email: myacker@elcon.org