

December 2001

## **IMPACT OF COMPETITION ON THE GENERATION, TRANSMISSION, AND DISTRIBUTION OF ELECTRIC ENERGY STUDY - BACKGROUND MEMORANDUM**

The Electric Industry Competition Committee was created by House Bill No. 1237 (1997) to study the impact of competition on the generation, transmission, and distribution of electric energy within this state. The bill was codified as North Dakota Century Code (NDCC) Sections 54-35-18 through 54-35-18.3. Section 54-35-18 states that the Legislative Assembly finds that the economy of North Dakota depends on the availability of reliable, low-cost electric energy and that there is a national trend toward competition in the generation, transmission, and distribution of electric energy, and the Legislative Assembly acknowledges this competition has both potential benefits and adverse impacts on the state's electric suppliers as well as on their shareholders and customers and citizens of this state.

North Dakota Century Code Section 54-35-18.1 outlines the composition of the committee and directs the committee to study the impact of competition on the generation, transmission, and distribution of electric energy within this state and on this state's electric suppliers. Electric suppliers include public utilities, rural electric cooperatives, municipal electric utilities, and power marketers.

North Dakota Century Code Section 54-35-18.2 outlines the study areas that the committee is to address in carrying out its statutory responsibilities. This section provides that the committee is to study the state's electric industry competition and electric suppliers and financial issues, legal issues, social issues, and issues related to system planning, operation, and reliability and is to identify and review potential market structures.

### **ELECTRIC INDUSTRY RESTRUCTURING**

#### **Background**

House Bill No. 1237 (1997) reflected the Legislative Assembly's concern that the electric industry is changing rapidly and if competition is to be introduced into North Dakota, it should be done in a fair and equitable manner. Nationally, builders of new technology generating plants, the natural gas industry, and states with high electric rates or excess generating capacity are promoting electric industry restructuring. Arguments put forward for restructuring or implementing competition in the electric industry include greater customer choice, the possibility that open competition may lower costs, encourage generating efficiency, and allocate capital. However, risks and challenges of retail competition include maintaining reliability of

supply, pricing outcomes in which some customers may benefit at the expense of others, and allocating stranded costs. The impetus for electric industry restructuring has also come from large industrial and commercial energy users that are opposed to subsidizing residential electricity users. For example, some industrial users are paying 150 percent of the actual cost of providing energy to those users, while residential customers are paying only 60 to 70 percent of the actual cost of providing energy to them.

#### **Traditional Rationale for Regulation**

Under the current industry structure, electricity is provided to retail customers by utilities that have geographic monopolies on the provision of electric service within their service territories. Customers within a utility's service territory must purchase all their electric services from that utility. These services include generation, transmission, distribution, customer service, meter reading, demand-side management, and aggregation and ancillary services.

Generally, three major types of electric utilities exist--investor-owned utilities, municipal and other government-owned utilities, and rural electric cooperatives. States regulate investor-owned utilities regarding their profits, operating practices, and pricing to end-use retail customers, while the Federal Energy Regulatory Commission (FERC) governs the pricing of wholesale bulk power sales and transmission services. Although House Bill No. 1237 (1997) directs the committee to study the impact of competition on the generation, transmission, and distribution of electric energy, nationwide the restructuring debate is over whether and how to separate the generation of electricity from other electric services in order to allow retail customers to shop for the electricity supplier of their choice.

In North Dakota, the Public Service Commission regulates electric utilities engaged in the generation and distribution of light, heat, or power. North Dakota Century Code Section 49-02-03 grants to the Public Service Commission the power to supervise and establish rates. This section provides:

The commission shall supervise the rates of all public utilities. It shall have the power, after notice and hearing, to originate, establish, modify, adjust, promulgate, and enforce tariffs, rates, joint rates, and charges of all public utilities. Whenever the commission, after hearing, shall find any existing rates, tariffs, joint rates, or schedules unjust, unreasonable, insufficient,

unjustly discriminatory, or otherwise in violation of any of the provisions of this title, the commission by order shall fix reasonable rates, joint rates, charges, or schedules to be followed in the future in lieu of those found to be unjust, unreasonable, insufficient, unjustly discriminatory, or otherwise in violation of any provision of law.

Concerning electric utility franchises, NDCC Section 49-03-01 provides that an electric public utility must obtain a certificate of public convenience and necessity from the Public Service Commission before constructing, operating, or extending a plant or system. Similarly, the state's Territorial Integrity Act, Sections 49-03-01.1 through 49-03-01.5, requires an electric public utility to obtain a certificate of public convenience and necessity before constructing, operating, or extending a public utility plant or system beyond or outside the corporate limits of any municipality. However, Section 49-03-01.3 exempts electric public utilities from the requirement to obtain a certificate of public convenience and necessity for an extension of electric distribution lines within the corporate limits of a municipality in which it has lawfully commenced operations provided the extension does not interfere with existing services provided by rural electric cooperatives or another electric public utility within the municipality and that any duplication of services is not deemed unreasonable by the Public Service Commission.

Traditionally, an electricity customer must purchase all its electric services from the utility serving that customer's service territory, including the three primary services--generation, transmission, and distribution. Generation refers to the actual creation of electricity, which may be generated using a number of methods and fuel such as nuclear, coal, oil, natural gas, hydro, or wind. Transmission refers to the delivery of electricity over distances at high voltage from a generation facility through a transmission network usually to one or more distribution substations, where the electricity is stepped down for distribution to residential, commercial, and industrial customers. For the retail customer, the costs for these functions are bundled into retail rates, along with the cost of distribution. Distribution involves the retail sale of electricity directly to consumers.

Other functions traditionally provided by vertically integrated utilities include customer service, billing, meter reading, demand-side management, research and development, and aggregation and ancillary services. Aggregation is the development and management of both a power portfolio, combining power from a variety of sources in order to match the demand for power with adequate power supply, and a portfolio of customers with combined demands in order to economically serve those customers. Ancillary services are those services necessary to effect a transfer of electricity between a seller and a buyer and to

coordinate generation, transmission, and distribution functions to maintain power quality and system stability.

Under the current industry structure, the utility serving a service territory provides all these services and functions selling them as a single bundle. Nationwide, the restructuring debate centers on whether or how the generation function should be separated from the bundle allowing retail customers to choose their electricity supplier. If generation is unbundled from transmission and distribution, these services may remain regulated functions.

### **The Regulatory Compact**

The provision of electric service traditionally has been considered to exhibit the characteristics of a natural monopoly. According to economic theory, a natural monopoly exists in a market if one service provider in the market can serve customers more efficiently than many competing service providers. A common explanation for electricity provision as a natural monopoly is that allowing competitors to string duplicate transmission and distribution lines and construct excess generation capacity would waste resources and increase electric rates for customers. Generally, the characteristics of a natural monopoly include a high, upfront capital investment in technology; limited storability of a provided service or goods; limited transportability, requiring operations near the end users; and cost advantages of large and integrated systems as a result of better utilization of existing capacity or economies of scale and scope.

In markets exhibiting the characteristics of a natural monopoly, government intervention in the form of regulation over a single firm is considered necessary to provide the market discipline competition cannot provide. In exchange for this monopoly, each utility is required to serve all customers within its service territory and to provide quality service at just and reasonable rates. The utility is permitted to recover reasonable and prudent expenses associated with its provision of service plus a reasonable rate of return on its investment made to serve customers. This exchange is known as the regulatory compact.

Under the regulatory compact, the traditional method of rate determination has been rate of return regulation. This type of regulation is designed to ensure that utilities offer their services at prices that are based on the cost of the services rather than on the value customers place on those services. In traditional rate of return regulation, the regulating entity determines the revenue requirement (the reasonable and prudent cost of providing a utility service), allocates the requirement among customer classes, and translates the allocated revenue requirement into rates.

Traditional rate of return regulation has been criticized for allowing a utility and its shareholders to pass on all the utility's costs and risks to ratepayers and

because the utility faces minimal risks, the utility has little or no incentive to increase its operating efficiency or to minimize its expenses. One critic has stated that rate of return regulation fails to penalize inefficient producers or reward efficient ones.

As an alternative to traditional rate of return regulation, some commentators have advocated and some states have implemented various forms of incentive regulation, including flexible regulation, targeted incentive plans, external performance indexing, price and revenue caps, and performance-based regulation. However, these forms of incentive-based regulation also have their critics. Performance-based regulation opponents have argued that this type of regulation may result in the selection of inappropriate performance benchmarks; incorporation of too many, or contradictory, societal or regulatory goals into the performance-based regulation plan; unreasonable returns to shareholders; or exacerbation of the information asymmetry between utilities and regulators.

### **Federal Actions to Promote Competition**

In 1978 Congress enacted the Public Utility Regulatory Policy Act. The goals of this Act were to make the United States self-sufficient in energy, increase energy efficiency, and encourage the use of renewable alternative fuels. The Act intended to achieve these goals by abandoning the use of natural gas to make electricity, mandating conservation of oil, and encouraging industry to cogenerate electricity using waste heat. The Act required utilities to purchase bulk power produced from cogeneration facilities to ensure that it was financially attractive. However, states were allowed to determine the avoided costs (the amount of money an electric utility would need to spend for the next increment of electric generation that it instead buys from a cogenerator) and quantity of such power. Some states capped the price at the utility's avoided costs and limited the obligation to purchase to the capacity of the utility. Other states allowed prices above the utility's avoided costs and ordered purchases of additional generation whether needed or not.

In 1992 Congress enacted the Energy Policy Act to encourage the development of a competitive, national, wholesale electricity market with open access to transmission facilities owned by utilities to both new wholesale buyers and new generators of power. In addition, the Act reduced the regulatory requirements for new nonutility generators and independent power producers. The Federal Energy Regulatory Commission initiated rulemaking to encourage competition for generation at the wholesale level by assuring that bulk power could be transmitted on existing lines at cost-based prices. Under this legislation and rulemaking, generators of electricity, whether utilities or private producers, could market power from underutilized facilities across state lines to other utilities.

Finally, the Federal Energy Regulatory Commission has taken a number of steps to encourage competition in the wholesale market. These actions include authorizing market-based rates, issuing Section 211 wheeling orders, ordering open-access transmission tariffs, and issuing the open-access transmission rule (FERC Order No. 888). Market-based rates are those set by willing buyers and sellers of power. This method may be used instead of the more traditional method of ratesetting by regulators pursuant to administrative hearings, with rates based on the cost of producing power. On April 24, 1996, the Federal Energy Regulatory Commission issued Order Nos. 888 and 889, which require all utilities that own, control, or operate transmission lines to file nondiscriminatory open-access transmission tariffs that offer competitors transmission service comparable to the service that the utility provides. In addition, FERC Order No. 888 recognizes the right of utilities to recover legitimate, prudent, and verifiable costs stranded by opening the wholesale electricity market, i.e., stranded costs. Finally, FERC Order No. 888 requires public utilities to unbundle their power and services for wholesale power transactions by requiring the internal separation of transmission from generation marketing services.

### **ELECTRIC INDUSTRY RESTRUCTURING INITIATIVES IN OTHER STATES**

Arizona, Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas, and Virginia have either enacted enabling legislation or issued a regulatory order to implement retail access. Retail access is either currently available to all or some customers or will soon be available in these states. Some states are running pilot programs, and they will begin to implement retail access in the near future. Arkansas, Montana, Nevada, New Mexico, Oklahoma, and Oregon have either enacted legislation or issued regulatory orders to delay implementing retail access. Although West Virginia has enacted legislation that approved that state's Public Service Commission's plan to restructure and implement retail access, the process is being delayed until a bill for tax reform is enacted. Alabama, Alaska, Colorado, Florida, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Nebraska, North Carolina, North Dakota, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, Wisconsin, and Wyoming have not enacted enabling legislation to restructure their electric power industries or implement retail access. California has suspended direct retail access.

The National Conference of State Legislatures reports that seven states have recently pulled back from or postponed their original restructuring plans. These states are Oregon, Nevada, Montana, New

Mexico, Oklahoma, Arkansas, and West Virginia. The National Regulatory Research Institute has also classified the status of electric deregulation in the United States. This study divides the states into four categories, i.e., retail access proceeding, law passed but delayed or delay likely, studying restructuring, or no action likely. This study classifies Arizona, Connecticut, Delaware, District of Columbia, Illinois, Maine, Maryland, Massachusetts, Michigan, Montana, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, and Texas as states where retail access is proceeding. The study classifies Arkansas, California, Nevada, New Mexico, and Oklahoma as states where legislation has been enacted but where it is delayed or likely to be delayed. The study classifies Florida, Georgia, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Nebraska, North Dakota, Tennessee, Vermont, and Washington as states studying electric industry restructuring. Finally, the study classifies Alabama, Alaska, Colorado, Hawaii, Idaho, Indiana, Iowa, Kansas, North Carolina, South Carolina, South Dakota, Utah, Wisconsin, and Wyoming as states where electric industry restructuring is not likely. A summary of the *Status of State Electric Industry Restructuring Activity as of November 2001* prepared by the United States Department of Energy's Energy Information Administration is attached as Appendix A.

California discontinued retail access indefinitely in October 2001. In the National Conference of State Legislatures' publication *California's Power Crisis - What Happened? What Can We Learn?* by Matthew H. Brown, the author discusses the electricity restructuring experience in California. The author identifies several major factors as contributing to California's problems and making risk management a crucial step for the power industry. These include:

- For a decade, no company--utility or nonutility--had made a major investment in a new power plant in California.
- For some years, no major investment was made in power plants in the geographical region surrounding California.
- The supply of power diminished in the Pacific Northwest, another area that traditionally had exported power to California.
- Demand for electricity increased somewhat in California and soared in the region surrounding California.
- Emissions trading markets in southern California saw a steep price increase.
- Natural gas prices skyrocketed in 2000.
- Customers have available only crude tools to help them manage their own demand and to respond to price increases in the wholesale power markets.
- Some analysts claim that generators may have charged unreasonably high prices at times of peak loads.

The report concludes by suggesting nine lessons from California's experience:

- Properly functioning retail markets require properly functioning wholesale markets.
- To function properly, wholesale markets need an active demand side, as well as supply side, competition.
- Wholesale markets need adequate generating capacity (supply) complemented by cost-effective end-use energy efficiency.
- Power markets can benefit from a diversity of fuel supplies for generation. Heavy reliance on a single fuel can push wholesale prices up quickly if the price of that fuel increases.
- Power suppliers must be able to manage their own--and their customers'--price risks.
- In states that have vibrant retail markets--or that currently are almost nonexistent--customers will have an opportunity to manage their own price and supply risks.
- Some kind of state oversight of power markets may be required to evaluate energy needs and the ability of the system to meet those needs.
- Some kind of regional oversight and collaboration in power markets also may be required.
- Capping or freezing rates offers important consumer protection in markets where a commodity is competitively procured but also can affect how quickly a competitive market develops and, absent some flexibility, may affect the financial health of market participants.

## FEDERAL RESTRUCTURING INITIATIVES

Nine bills relating to electric industry restructuring were introduced during the 105th Congress. However, none became law. At least 14 bills relating to electric industry restructuring were introduced in the 106th Congress, however, some dealt with taxation and other issues and only related tangentially to electric industry restructuring. None became law. To date, at least 48 bills relating directly or indirectly with the issue of restructuring the United States electric power industry have been introduced in the 107th Congress. A summary of federal restructuring legislation prepared by the United States Department of Energy's Energy Information Administration is attached as Appendix B.

## 2001 PROPOSED LEGISLATION

The 57th Legislative Assembly considered four bills relating to the electric energy industry. House Bill No. 1265 would have increased the transmission line mile tax from \$225 per mile to \$325 per mile for transmission lines of 230 kilovolts and \$325 per mile for transmission lines of more than 230 kilovolts owned by cooperatives and carrying electrical energy subject to a gross receipts tax. House Bill No. 1387 would have placed rural electric cooperatives with respect to

irrigation electric rates and service under the general jurisdiction of the Public Service Commission. Senate Bill No. 2410 would have placed rural electric cooperatives that have 2,500 or more members served under the general jurisdiction of the Public Service Commission. Senate Bill No. 2418 would have amended the Territorial Integrity Act to provide that after July 31, 2001, an electric public utility providing electric service within a municipality of more than 2,500 people would be required to provide electric service to all customer locations within the corporate limits of the municipality if authorized by franchise. Under this bill, a rural electric cooperative could continue to provide electric service to existing customer locations it was serving within the municipality on July 31, 2001, if allowed by the municipality pursuant to a limited franchise but would be ineligible to apply for or accept a new or continued franchise that would allow the rural electric cooperative to provide electric service to a new customer location within the corporate limits of the municipality after July 31, 2001. However, the proposed legislation provided that a public utility and a rural electric cooperative may mutually agree to the sale or trade of customer locations and electric facilities within the corporate limits of a municipality to promote efficient provision of electric service and to minimize duplication of facilities if the agreement is approved by the governing body of the municipality. None of the proposals was enacted by the 57th Legislative Assembly.

## WIND ENERGY

In addition to the committee's study of the impact of competition on the generation, transmission, and distribution of electric energy within this state, the Legislative Council has directed the committee to review wind energy as part of its study of electric industry competition and electric suppliers.

The National Wind Coordinating Committee estimates that the United States could meet 10 to 40 percent of its electricity demand with wind power. Areas of the United States identified as having significant wind energy potential include areas near the coasts, along ridges of mountain ranges, and in a wide belt that stretches across the Great Plains, including North Dakota. The Great Plains is an especially attractive area for wind energy development because many coastal areas and mountain ridges are unsuitable for wind energy development because of rocky terrain, inaccessibility, environmental protection, or population density. Wind energy can be converted to electricity by using wind turbines. The amount of electricity created depends on the amount of energy contained in wind that passes through a turbine in a unit of time. This energy flow is referred to as wind power density. Wind power density depends on wind speed and air density, with air density being dependent on air temperature, barometric pressure,

and altitude. Wind speed, wind shear, and turbine costs determine a site's wind energy potential.

A continued interest in wind energy development in the United States and worldwide has produced steady improvements in technology and performance of wind power plants. In addition to being cost-competitive, wind power projects may offer additional benefits to the economy and the environment. The National Wind Coordinating Committee has indicated that wind energy development carries the economic benefits of job and business creation while supporting local economies and reducing reliance on imported energy. Wind energy may also protect utilities and energy consumers from the economic risks associated with changing fuel prices, new environmental regulations, uncertain load growth, and other cost uncertainties. In addition, the National Wind Coordinating Committee has found the environmental benefits of wind energy development to be substantial by reducing a utility's pollutant emissions, thus easing regulatory pressure and meeting the public's desire for clean power sources. The National Wind Coordinating Committee summarizes the benefits of wind energy as being cost-competitive, creating no air pollution, and benefiting the public health, environment, and the economy. In addition, wind power does not require fuel, create pollution, or consume scarce resources.

Concerning the effect of wind energy development on state and local economies, the National Wind Coordinating Committee has identified several direct economic effects on the economy. Direct effects include increased revenues to local governments and landowners, creation of jobs and demand for local goods and services during construction and operation, and additional property tax revenues to local governments. Secondary or indirect effects identified by the National Wind Coordinating Committee include increased consumer spending power, economic diversification, and use of indigenous resources.

Rural landowners can reap substantial economic rewards from wind energy development. Rent to landowners is paid because land rights for a wind energy project must be secured in advance by purchase or lease. The National Wind Coordinating Committee estimates that rural landowners may receive \$50 to \$100 per acre from wind energy development projects. In addition, in most cases, farming operations may continue undisturbed. Thus, a landowner is recognizing significant increased income while retaining full use of that person's land.

Wind power plants can generally be constructed in less than a year. The National Wind Coordinating Committee estimates that for a 50-megawatt wind project, 40 full-time jobs may be created. Operation and maintenance of wind power plants generally require between two and five skilled employees for each 100 turbines. In addition, construction and

operation of a wind project creates demand for local goods and services such as construction materials and equipment, maintenance tools, supplies and equipment, and accounting, banking, and legal assistance. These economic benefits are not weakened by heavy demands on state and local infrastructure, and wind projects require little support from public services such as water and sewer systems, transportation networks, and emergency services. Wind energy projects also contribute to economic diversification in a local economy, thus ensuring greater stability by minimizing high and low points of business cycles. The National Wind Coordinating Committee indicates this effect may be particularly important in rural areas that generally have one-dimensional economies.

### **2001 WIND ENERGY LEGISLATION**

The 57th Legislative Assembly enacted three bills concerning wind energy. House Bill No. 1223 allows installations on property leased by the taxpayer to qualify for long-form income tax credit for installation of geothermal, solar, or wind energy devices. To qualify for the credit, the device must be installed before January 1, 2011. For a device installed before January 1, 2001, the credit is equal to 5 percent per year for three years, or for a device installed after December 31, 2000, is equal to 3 percent per year for five years, of the actual cost of acquisition and installation of the device.

House Bill No. 1221 provides a sales and use tax exemption for production equipment and tangible personal property used in construction of a wind-powered electrical generating facility before

January 1, 2011, if a facility has an electrical energy generation unit with a nameplate capacity of 100 kilowatts or more.

House Bill No. 1222 reduces the taxable valuation of centrally assessed wind turbine electric generators from 10 percent of assessed value to 3 percent of assessed value if the generation unit has a nameplate generation capacity of 100 kilowatts or more and construction is completed before January 1, 2011.

### **POSSIBLE STUDY APPROACH**

In carrying out its statutory and study responsibilities, the committee may wish to monitor federal electric industry restructuring initiatives, review electric industry restructuring efforts in other states, and follow electric industry restructuring developments in other states. In conducting this study, the committee could solicit testimony from a number of sources. These include the Public Service Commission and its staff, representatives of the state's investor-owned utilities, representatives of the state's generation and transmission cooperatives, representatives of the state's distribution cooperatives, the North Dakota Association of Rural Electric Cooperatives, the state's municipal power systems, power marketers, and large commercial and industrial power users. In conducting its study of wind energy, the committee could solicit testimony from wind power proponents and interest groups and monitor the effect of legislation enacted by the 2001 Legislative Assembly.

ATTACH:2

[Links to State  
Public Utility Commission  
Web Sites](#)

## Status of State Electric Industry Restructuring Activity as of November 2001

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<b>Alabama</b>	
Regulatory Orders	<p>10/00: The PSC closed the formal inquiry into restructuring in the State of Alabama. They will continue to monitor activity in other States and at the federal level through less-formal channels. The decision came after the PSC commissioners reviewed the Staff Electric Industry Restructuring Task Force's Report on the Public Interest and Role of Commission. On the matter of Public Interest, the report stated that it has not been demonstrated that all consumers in Alabama would continue to receive adequate, safe, reliable, and efficient energy services at fair and reasonable prices under a restructured retail market at this time. On the matter of Role of the Commission, the report stated that the "Commission can not mandate or otherwise allow retail competition or electric industry restructuring without state enabling legislation." It was also stated that the ultimate role of the Commission both during and after a transition to competition will depend on the form restructuring takes in Alabama.</p> <p>2/00: Following the recommendations in Interim Report No.1, the PSC scheduled hearings to address two key issues: whether electric power industry restructuring for competition is in the best interests of the consumers in AL and the regulatory authority of the PSC in a market-based system.</p> <p>4/99: Final comments were filed in response to the PSC June 1998 Order soliciting comments on electric utility industry restructuring. As a result, Interim Report No. 1 was issued by the Task Force in September 1999.</p> <p>4/98: PSC issued an order to establish the instant docket, APSC Docket 26427. In June 1998 the PSC issued a Scheduling Order posing questions to address various issues, with comments due in August. (Three extensions were subsequently requested, with the final comments due</p>

	<p>April 1999.) A series of workshops were scheduled in 1999 on market power, stranded costs, service reliability and other issues to aid the PSC in decision making.</p> <p>12/96: The PSC Advisory Staff issued a white paper, "The Electricity Industry and Restructuring." The paper led to the creation of a Staff Electric Industry Task Force to explore the potential results of deregulating the electricity industry in Alabama.</p>
<p>Legislation</p>	<p>5/96: SB 306, "The Electricity Customer Severance Law," enacted. The law provides utilities the opportunity to collect from customers who leave their system the amount of stranded costs associated with the customers' service.</p>
<p>Investigative Studies</p>	<p>10/00: The Staff Electric Industry Restructuring Task Force issued the "Report on the Public Interest and Role of Commission," after receiving and analyzing all interested parties comments to its February 2000 Inquiry.</p> <p>11/99: The Staff Electric Industry Restructuring Task Force Interim Report No. I was received by the PSC in September 1999. Comments from interested parties were received and reviewed. The PSC issued recommendations for hearings in early 2000 to address two key issues: whether restructuring is in Alabama's public interest and the regulatory/jurisdictional role of the PSC. The report defines "being in the public interest" as resulting in greater economic efficiency for all consumers. The task force believes some statutory change and policy guidance from the State Legislature will be necessary to implement a move to an efficient open market form of controlled retail competition from the present cost-based monopoly. (In February 2000, the PSC set the inquiry for April 2000.)</p> <p>4/99: A study released by the University of Alabama, Auburn University, sponsored by the State's cooperative utilities, estimates that rates in Alabama could rise 6% under retail competition. The study recommends a slow approach to restructuring and further study.</p> <p>6/98: The PSC began a formal investigation into restructuring the electric power industry, as ordered in April 1998 docket, by issuing a Scheduling Order posing a number of questions dealing with the issues of restructuring for competition. Comments from interested parties were received and analyzed, and a report prepared (Interim Report No. 1, September 1999).</p> <p>12/97: The PSC approved a draft report on restructuring the electric industry, "Report and Policy Development Plan of the Staff Electric Industry Restructuring Task Force," issued in October 1997. The report recommended that a phased study of restructuring be instituted by the PSC to determine the extent the public interest would be affected by restructuring and competition (the PSC established Docket 26427 in April</p>

	1998 for this purpose).
Links to Tables on Restructuring Issues	[Stranded Costs]
Links to State Regulatory Commissions and Major Utilities	[Alabama Public Service Commission ] [PSC restructuring page] [Alabama Power]
<b>Alaska</b>	
Regulatory Orders	7/99: The legislature disbanded the Public Utility Commission and assigned its responsibilities to the newly named Regulatory Commission of Alaska (RCA). Five new commissioners were sworn in July 1, 1999.
Legislation	4/00: S.B. 303 was introduced. If passed, the bill would implement retail choice in the Railbelt area by September 2001.  5/99: The bill to disband the PUC and replace it with the Regulatory Commission of Alaska and a panel of 5 new commissioners was enacted.  8/98: The Alaska State Legislative Joint Committee, established to develop recommendations for the legislature on electric industry restructuring (due in January 1999) conducted its first hearing. The Alaska Rural Electric Cooperative Association stated that due to the isolation and unique characteristics of Alaska's rural electric industry, it should be left out of any restructuring plans. Chugach Electric Association, the State's largest electric utility, stated that consumers would benefit if the State embraced a broad policy of allowing competition.
Investigative Studies	5/99: The report on restructuring requested by the PUC was prepared and presented by CH2M Hill. Most of the recommendations targeted the Railbelt (Anchorage and Fairbanks). Included were: consideration of retail pilot programs, encouragement of power trading markets, creation of a central dispatch point and an ISO, and consolidation of administrative functions and introduction of new technologies such as fuel cells and microturbines for rural systems. A final version of this report is due to the legislature by June 30.  1/99: The Alaska State Legislature Joint Committee issued its report, "Findings and Conclusions on Electric Utility Restructuring." The report recommended the 21st legislature address restructuring and decide if statutory changes for the PUC are necessary to implement pilot programs or retail access.
Links to Tables on Restructuring Issues	[Retail Access] [Public Benefits Programs]

<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">Regulatory Commission of Alaska</a>] [<a href="#">RCA restructuring page</a>]                  [<a href="#">Chugach Electric Assn Inc</a>] [<a href="#">Golden Valley Electric Assn Inc</a>]                  [<a href="#">Matanuska Electric Assn Inc</a>] [<a href="#">Municipal Light &amp; Power</a>]</p>
<p><b>Arizona</b></p>	
<p>Regulatory Orders</p>	<p>1/00: Enron and the Center for Law in the Public Interest filed lawsuits challenging the APS restructuring settlement. The Center for Law in the Public Interest claims the settlement sets electric rates without examining the financial condition of the company to see if they were fair. Enron argues that the shopping credit has been set too low and will stifle competition and unfair marketing practices may arise since APS is not required to sell its generation assets but is transferring them to a utility affiliate.</p>
	<p>10/99: The ACC issued a recommendation to approve Tucson Electric Power's restructuring settlement. The settlement will allow 100% recovery of \$450 million in stranded costs collected by a Competition Transition Charge (CTC) and recovery of the balance of the \$638 million in stranded costs through a "floating" CTC. Twenty percent of the load in TEP's territory will be open to competition by January 2000, and all by January 2001. Rates will be reduced by 1% and frozen through 2008. TEP's generation assets are to be transferred to an affiliate company by the end of 2002.</p> <p>9/99: The ACC approved APS's restructuring settlement agreement. APS will open 20% of the load in its territory to competition on October 1, 1999. Residential rates will be reduced 7.5% over a 4-year period, and large customer rates 5% over a 3-year period. APS may collect \$350 million in stranded costs over 5 years. Small commercial customers may aggregate loads. APS is to be the provider of last resort, and must provide adequate transmission import and distribution capability.</p> <p>4/99: The ACC approved a new plan with 4 options for stranded cost recovery and will begin retail competition with 20% of consumers later this year and all consumers by 1/1/01. Utilities must file their proposals for stranded cost recovery by June. The solar portfolio standard was eliminated as too costly. A hearing process will consider whether to adopt a renewable resource requirement that would include all renewables.</p> <p>1/99: The ACC delayed competition due to a State Supreme Court decision against the restructuring plans of Arizona Public Service Company and Tucson Electric Power. At issue are the settlements for stranded costs. Also, with the election of a new commissioner on the ACC, the solar portfolio requirement is likely to be dismantled.</p> <p>8/98: The ACC approved final rules for restructuring the investor-owned utilities in the State (Arizona Public Service and Tucson Electric Power). Retail competition is to phase-in over 2 years beginning 1/1/99 with large</p>

	<p>10/00: The Arkansas Public Service Commission (PSC) opened a docket to study the California electric power market. The PSC wants to ensure that the power supply problems and price spikes that occurred in California in the summer of 2000 do not occur in Arkansas when restructuring begins in 2002. The State's utilities have suggested delaying the start for competition until October 1, 2003, or October 1, 2005 at the latest. Current legislation requires the retail market to open by June 30, 2003 at the latest. The PSC, utilities and Attorney General's office all agree that the original timetable is unlikely, but disagree on when competition will begin in the State. The PSC is to present its recommendation to the legislature in mid-November 2000.</p> <p>8/00: In an effort to deregulate by 2002, the PSC is asking utilities to examine whether or not they have market power. Once a utility provides an analysis, the PSC will issue an order determining if, in fact, that utility does have market power. If it is deemed that the utility does have market power, it must submit a mitigation plan, followed by a public hearing and a final PSC order to eliminate that market power.</p> <p>12/99: The PSC issued rules for Rules for Electric Affiliates and for Energy Provider licensing.</p> <p>12/99: The PSC will issue a series of reports to facilitate implementation of retail competition. Reports are due on: tax issues and the financial impact on local governments; progress reports on competition and its impact on the price(s) of electricity; and standards of conduct for electric service providers.</p> <p>5/98: The PSC concluded hearings on when and how to open the electric market to retail competition. Entergy and two other utilities agreed competition should not begin before 1/1/02, when the neighboring States of Oklahoma and Texas expect to open their markets.</p> <p>12/97: The PSC decided to conduct public hearings in 1998 to address restructuring issues. Four dockets were established to investigate the specific issues. A report with recommendations is due to the General Assembly by October 1998.</p>
<p>Legislation</p>	<p>3/01: SB 236 was signed into law, Act 324. The Act delays the start of deregulation from January 2002 to October 2003. The PSC is also authorized to initiate further delays based on the adequacy of the state's transmission system and generating capacity to support a competitive market.</p> <p>4/99: Senate Bill 791, a compromise of the two bills introduced in February, was passed by the General Assembly and signed by the Governor. Act 1556 (Bill 791) will restructure the electric power industry in the State and allow retail access by January 2002. Stranded costs may be recovered via a CTC and the sale of bonds. Rates will be frozen for 3</p>

	<p>years for utilities seeking stranded cost recovery and one year for those that do not. The PSC can force divestiture of generation assets to alleviate market power, and can decide if stockholders should share stranded costs recovery with ratepayers. Utilities are required to functionally unbundle generation, transmission, distribution, and customer service and file unbundled rates with the PSC by 1/1/00. Municipal utilities are given the option of participating in retail access, and may aggregate retail loads upon filing unbundled distribution rates with the PSC.</p> <p>4/97: The General Assembly requested, with Senate Resolution 24, a study on competition in the electric industry. A series of hearings were held through 1998 and a report was due by January 1999. A restructuring bill is expected to be introduced in 1999.</p>
<p>Investigative Studies</p>	<p>9/01: A study conducted for the PUC by energy consultants concluded that the wholesale markets were not sufficiently developed at this time to support successful retail competition, nor were the utilities prepared to handle the customer switching functions necessary under retail choice. The PUC will hold a scheduled hearing on October 18, 2001, to consider the views of the PUC staff, utilities, and consumer groups on further delaying the implementation of retail competition in AR. Under current restructuring legislation, the PUC may delay retail access, now scheduled for October 2003, until as late as October 2005. Further delay would necessitate legislative action.</p> <p>10/98: The final report, "Report on Restructuring the Arkansas Electric Utility Industry," was released by the PSC. The report recommends retail competition no later than 1/1/02 and asks the legislature to act in 1999 on restructuring giving the PSC authority to implement retail competition and determine stranded costs and appropriate recovery methods, including securitization.</p>
<p>Links to Tables on Restructuring Issues</p>	<p><a href="#">[Retail Access]</a>   <a href="#">[Stranded Costs]</a>   <a href="#">[Public Benefits Programs]</a></p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p><a href="#">[Arkansas Public Service Commission]</a>   <a href="#">[PSC restructuring page]</a>  <a href="#">[Arkansas General Assembly]</a>   <a href="#">[Entergy]</a>   <a href="#">[Entergy Competition page]</a></p>
<p><b>California</b></p>	
<p>Regulatory Orders</p>	<p>10/01: The CPUC suspended retail choice in California. The CPUC estimates that about 5% of the State's peak load of 46,000 MW is currently under direct access contracts, mostly with large industrial customers. Contracts in place will be allowed to continue until their expiration.</p> <p>10/01: The PUC and Southern California Edison reached a settlement concerning the lawsuit filed by SCE against the PUC in November 2000. SCE claimed the PUC had violated federal law and unconstitutionally</p>

took property by its actions in not providing sufficient retail rates for SCE. The settlement is intended to restore SCE's creditworthiness and enable it to begin purchasing power for its retail customers, limit ratepayers' cost of paying off SCE debt, and enable SCE to pay its debt over a reasonable, certain period of time.

8/01: The California PUC published for comment a draft rate agreement between the CPUC and the California Department of Water Resources (DWR). The draft agreement contains the mechanism the CPUC will use to set electricity rates to satisfy the DWR's revenue requirements and supports the DWR's power purchase program. The revenue requirements include the costs required to issue and pay off the bonds issued for purchasing power (authorized under AB 1), costs for DWR's power purchase program, costs of load reduction programs, and operating costs. Comments are to be filed by August 1, 2001.

6/01: The PUC set a tiered rate structure for the 3-cent per kilowatt-hour increase adopted March 27, 2001. Residential customers of Pacific Gas & Electric and Southern California Edison will see rate increases of between zero and 80 percent, depending on their usage. Those using below 130 percent of the baseline amount and exempted or low income consumers will see no increase. The tiered structure gradually increases the percentage of increase to 80 percent for customers who use over 300 percent of the baseline amount. Commercial rates will increase between 34 and 45 percent, industrial rates will increase an average of 50 percent, and agricultural rates will increase 15 to 20 percent. The new rates will begin June 1, 2001.

6/01: The Federal Energy Regulatory Commission extended and broadened its price mitigation and market monitoring plan (issued in April 2001). The price mitigation plan will now apply to spot market sales 24 hours a day, 7 days a week, in all 11 States in the Western Systems Coordinating Council. The formula to calculate the market clearing price is changed to reflect the marginal cost of replacing gas used for generation, based on gas prices reported in Gas Daily for three spot market prices in California, adjust operating and maintenance expense upward, and eliminate the emission costs from the calculation (emission costs will be invoiced to the CA ISO and recovered separately). The price mitigation efforts will now apply to all spot market prices. When operating reserves are above 7%, the prices may not exceed 85% of the highest hourly price that was in effect during the most recent Stage 1 reserve deficiency period called by the ISO.

4/01: The Federal Energy Regulatory Commission (FERC) announced a plan for market monitoring and price mitigation designed to bring price relief to the California market and price certainty to buyers and sellers while promoting energy conservation and encouraging investment in generation and transmission. During periods when operating reserves fall below 7%, the market clearing price will be based on the highest bid of

the highest cost gas-fired unit located in California that is needed to serve the CA ISO load on any day in which a reserve deficiency is called. The gas-fired generators are required to submit their heat and emission rates to the FERC and the CA ISO, and the ISO will calculate the marginal cost for each generator, including operating and maintenance costs. Prices during the period of operating reserve deficiency will be limited to the marginal costs of the highest cost (as calculated by the ISO) generator brought online to meet demand.

3/01: The Federal Energy Regulatory Commission (FERC) issued an order to 13 power sellers in the California market to either make refunds for power sales above the proxy market clearing price during stage three emergencies or provide further justification of their prices. FERC also released a staff report on proposed long-term market mitigation measures, a replacement market monitoring plan expected to be in place by May 2001.

3/01: The CPUC approved substantial rate increases of over 40 percent, effective May 2001, for customers of two of the State's major investor-owned utilities; most of the increase is marked for reimbursement to the State (DWR) for the power it is purchasing for those customers. Low income customers are exempt from the increases. The portion of rates that the two utilities retain is still effectively under the rate freeze. The CPUC has not ruled out that more rate increases may be necessary in the future, since the accumulated debt of over \$13 billion the two utilities face has not been resolved.

1/01: The CPUC released the audits of Southern California Edison and Pacific Gas & Electric which were required in the recent CPUC decision to allow temporary one cent rate increases for the two utilities.

1/01: The new Secretary of Energy, Abraham, announced a final extension to February 6, 2001, of an emergency order (pursuant to Sec. 202(c) of the Federal Power Act). The order requires marketers and generators of electric power in the western states, who had sold power to the California market in the last 30 days, to make available to the CA ISO any power in excess of that needed to serve their firm loads when the ISO certifies that there is an inadequate supply of power. The original order, issued by Secretary Richardson, was effective through 12/21/00, and subsequent extensions were issued through 12/27/00, 01/05/01, and 01/23/01.

1/01: The FERC issued, on January 29, a compliance order to the Cal PX seeking to enforce the December 15 order provision that ensured sellers into the PX market who bid in excess of \$150/MWh only receive their actual bids, rather than the highest bid price. In response, the Cal PX has suspended its day-ahead and day-of market operations, as of January 31, 2001. The Cal PX has filed an emergency motion with the court requesting a stay of the December 15th order. Earlier in January, Cal PX

announced it is taking steps to downsize its operations by 15 percent. Southern California Edison and PG&E were suspended from trading on the PX said they defaulted under the agreed upon tariff and rate schedule.

1/01: FERC approved PG&E's corporate restructuring undertaken to protect assets from the utility's credit problems.

1/01: The CPUC issued an interim order that provides rate relief for Southern California Edison and PG&E. Retail rates are increased by one cent per kWh for all rate classes. This means a 7 to 15 percent increase, whereas the utilities had requested 26 and 30 percent increases. The CPUC will request an independent audit of the two utilities to determine the need for the rate increases, which are subject to refund provisions if not found to be just and reasonable costs.

1/01: Southern California Edison won a major component of its lawsuit against the CPUC. The court upheld the utility's right to recover just and reasonable costs for serving its customers as required by law. Southern Cal and PG&E have experienced increasing losses, totaling \$12 billion by January 2001, due to the escalating wholesale prices at the PX and the inability to collect adequate revenues to recover these costs of procuring power because retail rates are frozen at a much lower rate. A trial is scheduled to determine that the costs were just and reasonable.

1/01: The CPUC suspended penalties for interruptible rate schedule customers who fail to curtail power usage under emergency conditions. Due to the unexpected extent of curtailment requests in recent months, especially January 2001, there was determined to be a threat to the public health, safety, and welfare due to the inability of customers who participate in the interruptible programs, particularly the two petroleum pipeline companies, to continue operations, or face severe monetary penalties for operating during the energy emergency situations. The result created a shortage of and corresponding price increases for gasoline and diesel in California. The pipelines will be allowed to operate for 7 consecutive days to bring supplies back up to normal levels, and the CPUC expressed its hope that customers on interruptible schedules would continue to curtail power usage as much as possible in the absence of penalties. The CPUC is planning on reassessing the interruptible programs in the State and is planning to issue a report addressing these issues.

12/00: In its December 15 Order Directing Remedies to the California Wholesale Markets, the FERC ended the mandatory PX "buy/sell" requirement, thus allowing utilities to sell their own power directly to retail customers and enter into long-term bilateral contracts for purchasing power. The PX rate schedule will end on April 30, 2001. Power provided by the spot market should decrease to about 5% of the load. To ensure that the real-time markets are just and reasonable, the Order provides for appropriate real-time market monitoring and price mitigation for ISO and

PX spot markets. In order to encourage less reliance on the real-time, or spot, market, the FERC imposed a \$150 soft cap on wholesale prices. Bids above the \$150 cap will not set the market clearing price, and their costs must be verified. Additionally, the Order requires the current stakeholder board at the ISO be replaced with a non-stakeholder board. Meanwhile, decision making and operating control has been turned over to the management of the ISO, retaining the current board in an advisory position until the new board is seated in April. For a listing of FERC orders addressing the energy situation in California see the [FERC Bulk Power Markets](#) web page.

12/00: FERC issued a temporary waiver relaxing efficiency and operating requirements for qualifying facility (QF) cogenerators and fuel requirements for QF small power producers. The waiver will allow QF's to sell power in excess of their historical amounts to entities serving loads in California during the current emergency situation. The waiver ends 01/01/01.

11/00: The Federal Energy Regulatory Commission (FERC) approved a "market order proposing remedies for California wholesale electrics" on November 1, 2000 (see the final order of December 15 FERC order above).

10/00: San Diego Gas & Electric (SDG&E) received approval from the CPUC to negotiate long-term power contracts. SDG&E will now be able to hedge electricity prices in an effort to protect against volatile price spikes like the ones that occurred this past summer. Southern California Edison (SCE) and Pacific Gas and Electric (PG&E) were recently granted approval to negotiate long-term contracts.

8/00: At an emergency CPUC meeting called by Governor Davis, the CPUC approved a rate stabilization plan for SDG&E customers on August 21. The CPUC rejected a price freeze, saying it was unclear who would have to pay the difference in wholesale energy costs. The plan, which is retroactive to June 1, 2000, states that consumers who use 500 kWh or less per month will pay no more than \$68/month for electricity through the end of January 2001. The rates for those customers will then increase to \$75/month through the end of December 2001. Any additional power consumed beyond 500 kWh would be charged at market-based rates. Caps were also outlined for small commercial customers.

8/00: On August 3, the CPUC rejected an emergency motion filed by the San Diego-based Utility Consumers' Action Network (UCAN) to impose a price freeze on SDG&E retail rates at July 1999 levels. SDG&E customers, who are paying market-based rates for their electricity, have seen their electric bills nearly triple this summer as compared to the same period last year. The CPUC stated that further investigation into the price spikes is necessary.

8/00: The CPUC on August 3 ruled in favor of a petition by utilities PG&E and Southern California Edison (SCE) to enter into bilateral agreements with generators at set prices to shield the utilities and consumers from volatile price spikes. SCE and PG&E will be allowed to contact third-party suppliers via the Cal PX to negotiate contracts to buy power at set rates for up to five years. The five-year agreements will serve to hedge against price spikes during periods of high demand and low reserves.

8/00: On August 2, the president of the CPUC and the chairman of California's Electricity Oversight Board (EOB) released a report that addressed blackouts in the PG&E service territory in early June 2000 and the volatile wholesale market prices that are affecting retail rates to SDG&E consumers. The report cited California's high demand and limited generating capacity as the main reasons for the blackout. Governor Davis responded to the report by ordering the CA Attorney General to form a task force to investigate California's wholesale market.

7/00: San Diego Gas & Electric and the California PX recently proposed a solution to the CPUC for alleviating the price volatility experienced by SDG&E customers this summer. The market-based bidding program proposed to the CPUC will allow SDG&E to bid for power within the CalPX for longer periods into the future using the existing Block Forward Market products. This will enable the company to purchase power at lower prices during periods of high demand, avoiding the price spikes associated with summer heat and increasing demand such as experienced in Southern California this spring and summer. Approval has been requested at the August 3 meeting of the CPUC.

10/99: The PUC issued its opinion on distributed generation. Addressed were concerns with reliability, safety, and non-discrimination in distributed generation interconnections with the utilities. Issues also included developing definitions for distributed generation, defining the role of the distribution company, environmental impacts, and ownership and control issues with distributed generation.

6/99: The PUC approved San Diego Gas & Electric's proposal to end its rate freeze on 7/1/99. The end of the transition period for SDG&E comes two and a half years early, as SDG&E sold their power plants substantially above book value and thus completed recovery of stranded costs.

6/99: The PUC began public hearings on opening distribution services to competition. The formal opening of the PUC proceeding in December 1998 resulted in responses from numerous stakeholders including utilities, industrial and agricultural groups, cogenerators, and marketers. The process of opening distribution services to competition is likely to prove as complex as the opening of generation services has, with some

3/01: Governor Davis released his "rescue plan" for California's nearly bankrupt utilities. The central element is the purchase of the utilities' transmission systems. Also, the parent companies will be expected to contribute a significant amount to the utilities for debt repayment, the utilities will be expected to drop all lawsuits, and generating facilities currently owned by the utilities could not be sold, but would provide cost-based electricity for 10 years to California. To pay creditors, utilities would be allowed to sell revenue bonds secured by a dedicated portion of the current rates as determined by the PUC.

3/01: Governor Davis issued a series of Executive Orders designed to expediate the construction and permitting of generation capacity and boost the output from existing generation capacity in the State. The orders provide incentives for renewable and distributed generation, bonuses for completing construction and bringing a plant online by July 2001, and a funding mechanism to help plants install emission control equipment and pay mitigation fees to compensate for increased operations. He is anticipating an addition of 5000 MW by the summer of 2001, another 5000 MW by 2002, and a total of 20,000 MW by 2004.

2/01: The Governor issued an executive order for a conservation program. The \$800 million program includes incentives to reduce commercial lighting, a public media campaign, and appliance rebates. Businesses are required to reduce outdoor lighting by half during non-business hours.

2/01: Legislation, AB 1, was signed into law by the governor. This legislation will allow the state Department of Water Resources to purchase power under long-term contracts and sell the power to consumers through utilities. The DWR is authorized to sell \$10 billion in revenue bonds to fund the power purchases, which cannot be funded through the state treasury. The bonds will be paid through electricity rates over the next ten years. Rate increases are authorized after the 2002 election. Additionally, the law provides another \$500 million for the DWR to continue its purchasing of power in the short-term. The DWR has already spent over \$400 million under provisions of AB 7 to purchase power in order to prevent major blackouts in the State.

01/01: AB 5, AB 6, and SB 7, were all passed into law in January. These bills address the state's energy crisis. The ISO has issued a Stage Three Electrical Emergency for almost every day in January. Stage Three means that reserves have fallen to below 1.5%, and rolling blackouts may be required to maintain system integrity. AB 5 requires, as ordered in the December 15 order by the FERC, the current stakeholder board of the ISO be replaced with nonstakeholders appointed by the governor. AB 5 also requires the ISO to publish a list of the plants that are not operational each day on its [Internet site](#). AB 6 Requires generating plants owned by utilities in CA prior to June 1997 remain under CPUC jurisdiction and cannot be sold before January 2006. The PUC will require the output of utility-

owned plants be available for CA consumers. SB 7 authorized the Department of Water Resources to spend \$400 million to purchase electricity and sell it to consumers through the utilities. The utilities (Southern California Edison and Pacific Gas & Electric) have become unable to purchase electricity to meet their consumers' demands due to their inability to obtain financing. Both utilities' credit ratings were downgraded to "junk bond" status as their debts for purchased power increased and their ability to pay their power bills decreased. Escalating wholesale prices at the PX where utilities were required to purchase power under AB 1890 together with the required retail rate caps which prevented the utilities from recovering the costs of the wholesale purchases resulted in losses totaling around \$12 billion for both utilities. Both utilities have stated that they may go into bankruptcy.

09/00: Revised legislation, AB 265 (formerly AB2290), was signed into law. The law caps electricity rates for San Diego Gas and Electric (SDG&E) residential, small commercial, and lighting customers at 6.5 cents/kWh through December 31, 2002, retroactive to June 1, 2000. The CPUC can extend the rate freeze through December 2003 if they feel it is in the public interest to do so. The law mandates the CPUC to initiate a voluntary program for large commercial, agricultural, and industrial customers of SDG&E to also set the energy component of their bills at 6.5 cents/kWh with a true-up after one year.

09/00: The governor signed AB 970, legislation that accelerates the power plant siting approval process. AB 970 reduces the California Energy Commission (CEC) licensing process from 12 months to 6 months for plants and creates a "green team" to help provide guidance and assistance with the permitting process. The law will be in effect until January 1, 2004.

8/00: The California State Assembly passed a bill on August 21 that sets a deadline for local governments to object to a proposed power plant project. The legislation gives opponents 180 days to lodge any complaints to the CA Energy Commission. Currently there are no time limits on power plant projects. The bill now heads to the CA Senate.

8/00: On August 10, the California Senate passed AB 2290, emergency legislation designed to roll back and freeze rates for all SDG&E customers. SDG&E customers, who are paying market-based rates for their electricity, have seen their electric bills nearly triple this summer as compared to the same period last year. AB2290 calls for a rollback in rates to levels paid July 1, 1999. The rollback would be retroactive to June 1, 2000. The State Assembly is now considering the legislation.

11/98: Proposition 9, the ballot initiative to alter provisions of the electric restructuring law, was defeated at the ballot box by 73% of the vote.

6/98: The Coalition of Consumer Advocates initiative to challenge AB

	<p>1890, Proposition 9, qualified for the 11/98 ballot. The initiative would prohibit recovery of stranded costs for nuclear plants, prohibit stranded cost recovery surcharges on consumer bills, and provide a 20% rate cut. The initiative is opposed by the IOU's, the business community, and industrial groups.</p> <p>9/97: SB 90 was enacted to provide administrative guidelines for the renewables program under AB 1890. The California Energy Commission was given authority to administer the funds collected for renewable energy technologies support.</p> <p>9/97: SB 1305 was enacted to require retail suppliers of electricity to disclose the sources of generation to customers; report fuel type and consumption to system operators who will make the information available to the CEC; and report emissions, purchased power, losses, and retail sales.</p> <p>9/96: AB 1890 was enacted to restructure the California electric utility industry and implement retail direct access. The law requires the creation of an ISO to operate the transmission system and a PX (both subject to FERC approval) to operate a wholesale power market through which the IOU's must sell to and buy from all power needed to serve their customers; divestiture of power plants (except hydro and nuclear) by the investor-owned utilities; recovery of stranded costs via a Competition Transition Charge on customer bills until 2002; a 10% rate reduction (financed by issuing bonds that will be repaid by a charge on customers' bills over a ten year period) and a rate freeze at 1996 levels for small and residential customers for the transition period of 4 years (through March 2002); continued energy efficiency and renewable energy programs and low-income customer programs funded by public purpose program charge on customer bills; and numerous protections from any detrimental effects of the restructuring aimed at small consumers and utility employees.</p>
Investigative Studies	The "Blue Book" was issued recommending a restructured electric power industry and retail access to lower electricity prices in California.
Links to Tables on Restructuring Issues	<a href="#">[Retail Access and Rates]</a> <a href="#">[Stranded Costs]</a> <a href="#">[Public Benefits Programs]</a> <a href="#">[Pilot Programs]</a> <a href="#">[Additional Information]</a>
Links to State Regulatory Commissions and Major Utilities	<a href="#">[California Energy Commission]</a> <a href="#">[California Public Utility Commission]</a> <a href="#">[California Legislature]</a> <a href="#">[California restructuring bill]</a> <a href="#">[California Independent System Operator]</a> <a href="#">[California Power Exchange]</a> <a href="#">[California Board for Energy Efficiency]</a> <a href="#">[PacifiCorp customer choice page]</a> <a href="#">[Pacific Gas &amp; Electric]</a> <a href="#">[Sacramento Municipal Utility District]</a> <a href="#">[San Diego Gas &amp; Electric]</a> <a href="#">[Southern California Edison]</a> <a href="#">[Los Angeles Department of Water and Power]</a>
<b>Colorado</b>	

Regulatory Orders	<p>1/99: CO PUC adopted rules which will require IOU's to itemize the fuel sources used for generated and purchased electricity. The unbundling of costs is intended to educate consumers on the costs and sources of generation and the separate costs of power generation and delivery. Customers will begin receiving the unbundled billing in October 1999.</p>
Legislation	<p>7/98: The CO electricity advisory panel (created by SB 152) met for the first time in July. The purpose of the panel is to study electric industry deregulation and report the findings to the legislature by 11/1/99.</p> <p>5/98: SB 152 was enacted. It created a 21-member panel to assess whether retail competition will benefit the state's consumers.</p>
Investigative Studies	<p>11/99: The Colorado Electricity Advisory Panel issued its Final Report. A majority (17 of 29 members) voted against restructuring the industry as it would not be in the best interest of the State and its consumers. The Legislature requires a 2/3 majority vote for a formal recommendation, which was not met. A minority report supporting restructuring was also issued, as well as a "middle ground" report. The major reasons opposing restructuring are in the Final Report. Included are: 1) Colorado has low rates now; 2) a consultant study modeling the effects of restructuring found that rates were likely to rise; and 3) rate impacts would be disproportionately shared among classes of consumers, with low-income, fixed-income, rural, residential, and small consumers seeing the greatest rate increases.</p> <p>8/99: The task force continues to hold public hearings across the state on restructuring the industry. During the five hearings so far, opponents of restructuring have outnumbered proponents, on the basis that Colorado currently enjoys low electric rates and the fear prices would rise with competition. A sixth hearing is scheduled, and the task force will make its report to the General Assembly by November 1, 1999.</p> <p>7/99: A draft report was released by the Colorado advisory panel. The report shows most panel members oppose opening the retail electricity market to competition, believing prices would rise under restructuring. Proponents of restructuring, including IOU's, environmentalists, and industrial customers, think prices will fall, citing a DOE study that supports their view. Public hearings will be held in July and August for public comment on the report. The final report is due to the legislature in November 1999.</p> <p>5/99: A study by a private firm was conducted for the Office of Consumer Counsel. The study found that consumers would pay more for power if the state opens the retail electricity market to competition. The OCC is to present preliminary findings on restructuring to the legislature by 7/1/99.</p> <p>2/99: A study was presented to the Legislative Task Force on low-income electricity consumers' possible concerns under restructuring.</p>

<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">Colorado Public Utility Commission</a>] [<a href="#">Colorado Electricity Advisory Panel Final Report</a>] [<a href="#">PUC restructuring page</a>] [<a href="#">New Century Energies (Public Service Company of Colorado)</a>]</p>
<p><b>Connecticut</b></p>	
<p>Regulatory Orders</p>	<p>9/99: The DPUC issued a rule that is aimed at preventing customers from switching back to Standard Offer Service (SOS) after switching to an alternative supplier when SOS is the least expensive alternative. The rule would provide a 12-month switching moratorium once a customer returns to SOS.</p> <p>3/99: The DPUC began a consumer education effort sponsoring statewide presentations and ordering that, beginning in July, generation charges be shown separately on bills for the purpose of comparison with competitive offers. Retail competition is set to begin 1/1/2000 and suppliers could be licensed as early as July and begin soliciting business.</p> <p>3/99: In February, the DPUC approved the sale of Connecticut Power &amp; Light's non-nuclear assets, and in March it approved United Illuminating's sale of non-nuclear assets.</p> <p>1/99: The Department of Public Utility Control (DPUC) is considering utilities' divestiture plans which were filed in late 1998, and stranded cost proposals filed in January.</p> <p>7/95: CT DPUC issued a final report that calls for restructuring the electric power industry and gradually moving to retail competition.</p>
<p>Legislation</p>	<p>4/98: RB 5005, An Act Concerning Electric Restructuring, was signed into law on 4/29/98. The bill will allow access to competitive suppliers for 35% of consumers by 1/2000 and for all consumers by 7/2000. Utilities will be required to sell non-nuclear generation assets by 1/2000 and interests in nuclear generation by 1/2004, making CT the first State to require divestiture of nuclear assets. The bill also requires participation in an ISO, public interest program funding, functional unbundling, renewable energy funding, a 5.5 % renewable portfolio standard, environmental protections, and a 10% rate reduction beginning 1/2000.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[<a href="#">Retail Access</a>] [<a href="#">Stranded Costs</a>]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">Connecticut Department of Public Utility Control</a>] [<a href="#">DPUC restructuring page</a>] [<a href="#">Connecticut General Assembly</a>] [<a href="#">CT restructuring bill</a>] [<a href="#">Connecticut Light &amp; Power Co</a>] [<a href="#">United Illuminating restructuring page</a>]</p>
<p><b>Delaware</b></p>	

Regulatory Orders	<p>9/99: The PUC issued final orders for restructuring electric utilities in DE.</p> <p>1/98: PSC adopted final report on electric industry restructuring with recommendations including unbundling of rates and stranded cost recovery using Competitive Transition Charges. The report calls for competition for all Delaware consumers to begin 12 months after restructuring legislation is enacted.</p>
Legislation	<p>3/99: The "Electric Utility Restructuring Act of 1999" (HB 10) was enacted. The law's provisions include: a phase-in of retail competition beginning in 10/99 (large customers in Conectiv's service territory) and being completed by 4/01 for all consumers in Conectiv's and Delaware Cooperative's territories; a residential rate cut of 7.5% for Conectiv customers and a rate freeze for the coop customers; funding for public benefits programs; and for Conectiv, no provisions for stranded cost recovery (the cooperative has no public benefit funding and stranded cost recovery may be determined by the PSC).</p>
Links to Tables on Restructuring Issues	<p>[<a href="#">Retail Access</a>] [<a href="#">Stranded Costs</a>] [<a href="#">Public Benefits Programs</a>]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[<a href="#">Delaware Public Service Commission</a>] [<a href="#">Delaware restructuring bill</a>]  <a href="#">Conectiv</a>] [<a href="#">Delaware Electric Cooperative</a>]</p>
<b>District of Columbia</b>	
Regulatory Orders	<p>1/01: The District of Columbia began allowing customers direct access to competitive electricity suppliers on January 1, 2001. The PSC established interim shopping credits ranging from 3.68 to 5.18 cents/kWh. Pepco, the only utility in DC, recently sold its power plants; the shopping credits will be adjusted based on the sale of the power plants. The PSC is reviewing marketer licensing applications and consumer protection measures.</p> <p>9/00: The District of Columbia Public Service Commission issued an order providing the implementation plan for retail choice. It provides guidelines, procedures and standards for supplier applications as well as consumer protections.</p> <p>1/00: The DC PSC approved PEPCO's restructuring settlement. Government and commercial consumers will have retail access and a pilot program will begin for residential consumers by January 2001.</p> <p>12/99: The District government joined major consumers in supporting a proposed agreement with the DC PSC to allow PEPCO to sell its power plants. Under the agreement, PEPCO will begin retail direct access for DC consumers with a pilot program as early as January 1, 2001...provided necessary tax and enabling legislation is enacted before April 2000. Under the proposal, rates would be reduced by about 7 percent.</p>

	<p>2/99: PEPCO has filed a plan with the PUC to allow retail competition in its service territory in the District of Columbia and suburban Maryland. The plan would allow retail choice in DC by 1/01, included an estimate of stranded costs and a method for recovery, proposed unbundled rates, and a rate freeze through 1/05. PEPCO plans to sell its DC power plants to recoup stranded costs.</p> <p>12/98: The PSC requested PEPCO to file a restructuring plan with stranded costs and unbundled rates studies.</p> <p>9/97: The PSC continues to study restructuring and issued a notice of inquiry for issues to investigate on retail competition. A report is expected in 1998.</p>
Legislation	<p>1/00: The DC City Council passed legislation to allow retail competition. The PSC is reviewing PEPCO's restructuring settlement. Under that settlement, commercial and government consumers will have retail direct access and residential consumers will begin a retail access pilot by January 2001.</p>
Investigative Studies	<p>8/98: A report was issued by the PSC on electric restructuring issues. The report requests a restructuring plan from PEPCO and recommends retail access to be phased-in over 3 years beginning 1/1/01.</p>
Links to Tables on Restructuring Issues	<p><a href="#">[Retail Access]</a></p>
Links to State Regulatory Commissions and Major Utilities	<p><a href="#">[District of Columbia Public Service Commission]</a>    <a href="#">[Potomac Electric Power Company]</a></p>
<b>Florida</b>	
Regulatory Orders	<p>4/00: The Supreme Court of Florida reversed the PSC order that approved Duke Energy's proposal for a merchant plant in New Smyrna. The Court ruled that the PSC does not have the authority to approve the Duke merchant plant under the Florida Electric Power Plant Siting Act of 1973.</p> <p>4/99: The PSC approved a merchant plant to be built in New Smyrna by Duke Energy. The combined cycle gas plant has a photovoltaic unit to offer a "green" pricing option as part of the plant's marketing. The utilities in the State opposed the plant, but the PSC stated that the plant, and other merchant plants proposed to be built could help solve the State's reserve margin problem, lack of photovoltaics, and market share concerns.</p> <p>2/99: The PSC ruled that investor-owned utilities must disclose the sources of generation and purchased power by-fuel type to consumers.</p> <p>8/98: Responding to competitive pressures that can lower electric bills for</p>

	<p>large consumers, the PSC approved discount rates (up to 20%) for new and expanding businesses. The Florida Alliance for Lower Electric Rates Today opposes the discounts, and proposes state-wide competition for all consumers.</p>
<p>Legislation</p>	<p>4/00: SB 2020 is a bill to require a study of electric utility deregulation and energy policy in Florida. The bill would establish the Energy 2020 Study Commission to recommend energy policies to the legislature.</p> <p>4/99: The legislature adjourned April 30 with no major electric industry restructuring effort or a study considered.</p> <p>4/98: SB 1888 died in committee without a hearing, reflecting both the strong opposition from utilities and lack of consumer interest.</p> <p>3/98: SB 1888 was introduced . The bill, which would deregulate the electric power industry and allow retail access by 2001, faces strong opposition.</p>
<p>Investigative Studies</p>	<p>3/01: The Energy 2020 Study Commission released an interim report, "Proposal for Restructuring Florida's Wholesale Market for Electricity." The report makes recommendations to the 2001 legislature that would result in the development of a competitive wholesale electricity market in Florida. Proposals include removing barriers to entry for merchant generation plants, requiring investor-owned load-serving utilities to acquire energy resources through a competitive acquisition process, and allowing utility affiliate companies to assume ownership of existing generation assets as well as build new ones.</p> <p>09/00: The Energy 2020 Study Commission held its first meeting to begin studying Florida's future energy requirements over the next twenty years. Six technical advisory committees were created to identify issues, gather and analyze information, and make recommendations on energy policy. The 17-memeber Study Commission is charged with studying retail competition and future electric gas demand in Florida, and is scheduled to present a final report by December 1, 2001.</p> <p>7/00: The Energy 2020 Study Commission, a study committee of 19 appointed by the Governor, was announced May 3 when the legislature failed to address restructuring the electric power industry. The commission will begin meeting in September and report to the Governor by December 1, 2001 on their investigation of current and future electric reliability, energy conservation, environmental impacts, supply and delivery options, electric industry competition, and the financial consequences of restructuring.</p> <p>1/00: The staff of the House of Representatives Utilities and Communications Committee conducted a review and issued a report, "An Overview of the Electric Power Industry," in January 2000. The report provides a history and an overview of the current state of the electric</p>

	power industry in Florida. Currently, neither the legislature or the PUC is actively pursuing restructuring for retail access in Florida.
Links to State Regulatory Commissions and Major Utilities	[ <a href="#">Florida Public Service Commission</a> ] [ <a href="#">Florida Public Service Commission Study</a> ] [ <a href="#">Florida Power &amp; Light Company</a> ] [ <a href="#">Florida Power Corporation</a> ] [ <a href="#">Tampa Electric</a> ]
<b>Georgia</b>	
Regulatory Orders	1/98: PSC issued a Staff Report on Electric Industry Restructuring. Recommendations include market-based rates, unbundled services, and stranded cost recovery. A docket has been established for comments from stakeholders. A slow approach to restructuring was recommended.  4/97 - 7/97: Public workshops were held to address the issues related to restructuring. The results of the public hearings were incorporated in the Staff Report issued 12/97.
Investigative Studies	The staff report on electric restructuring was issued 1/98. [ <a href="#">Georgia Public Service Commission Staff Report</a> ]
Links to Tables on Restructuring Issues	[ <a href="#">Retail Access</a> ] [ <a href="#">Stranded Costs</a> ]
Links to State Regulatory Commissions and Major Utilities	[ <a href="#">Georgia Public Service Commission</a> ] [ <a href="#">PSC restructuring page</a> ] [ <a href="#">Georgia Power</a> ]
<b>Hawaii</b>	
Regulatory Orders	4/99: The Hawaii PUC has an open docket(Docket No. 96-0493) on electric power industry restructuring, but no recent action on this case has occurred.  1997: PUC began to develop a draft restructuring plan and a formal investigation into the issues.  12/96: PUC began investigating competition in the electric power industry. A report is expected by 10/98.
Legislation	4/99: A legislative resolution (HCR 22) to have the PUC submit a report on the status of PUC Docket 96-0493 on restructuring and competition in electricity markets prior to the 2000 legislative session was passed by both legislative chambers.
Links to State Regulatory Commissions and Major Utilities	[ <a href="#">Hawaiian Electric Company, Inc.</a> ]
<b>Idaho</b>	

Regulatory Orders	<p>1/98: PUC issued the "Electric Costs Report" to the Governor and Legislature. The report contains the findings on the unbundled average costs for utilities in Idaho compared to national averages.</p> <p>9/97: The PUC hosted technical workshops to discuss public purpose program costs as part of unbundling.</p> <p>7/97: At the PUC, proceedings on electric restructuring began.</p>
Legislation	<p>12/98: The legislative committee concluded that deregulation would boost electric prices in the State, and recommended against restructuring.</p> <p>1997: HB 399 was enacted, directing the PUC to establish a committee to obtain information on the costs of supplying electricity to consumers. Utilities are required to unbundle costs of electric service and report to the PUC.</p> <p>5/97: Governor signed an executive order creating the Governor's Council on Hydroelectric and River Resources that will establish guidelines for electric industry restructuring in ID.</p>
Investigative Studies	<p>1/99: The Legislative Council Committee on Electric Utilities Restructuring issued its final report. The report recommends a slow approach to retail competition. Idaho is a low cost state for electricity and concerned about prices rising under a competitive market. The legislature reestablished the study committee.</p>
Links to Tables on Restructuring Issues	<p>[<a href="#">Stranded Costs</a>] [<a href="#">Pilot Programs</a>]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[<a href="#">Idaho Public Utilities Commission</a>] [<a href="#">Report on restructuring</a>] [<a href="#">PUC Order on restructuring</a>] [<a href="#">Idaho Power</a>] [<a href="#">Washington Water Power</a>]</p>
<b>Illinois</b>	
Regulatory Orders	<p>12/00: The ICC issued an update on the status of competition in the State. As of January 1, 2001, all commercial and industrial customers are eligible for retail access to competitive suppliers, and residential customers will become eligible starting in May 2002. The majority of customers who switched to alternative suppliers were in Commonwealth Edison's territory. About 12 percent of ComEd's eligible customers representing about half of the company's load switched to alternative suppliers. Illinois Power had 6.9 percent of customers switch and AmerenCIPS had 6.8 percent. None was recorded for Illinois Light Co. The ICC stated that a lack of competition could be due to a need for more suppliers, electricity shortages, inefficient transmission system, a lack of uniform interconnection standards, and the surrounding states lack of restructuring.</p>

	<p>6/98: The Illinois Commerce Commission (ICC) issued a ruling that prohibits utility affiliates from exploiting the name, reputation, or logo of the utility in advertising or marketing campaigns. The rule will protect ratepayers from cross-subsidization of utility affiliates.</p> <p>5/98: The ICC approved Commonwealth Edison's plan to offer nonresidential customers hourly rates under its "Hourly Energy Pricing" program.</p>
Legislation	<p>7/99: Legislation, SB 24, was enacted to amend the restructuring law. The amendment moves up the transition to customer choice. The first third of commercial and industrial consumers will have retail access by 10/1/99, the second third by 6/1/00, and the final third by 10/1/00. Residential customers will receive a 5% rate reduction by 10/1/01, seven months earlier. The rate cap for utilities is increased by 2%, cogeneration is promoted, and ComEd is required to allocate \$250 million to a special environmental initiatives and energy-efficiency fund.</p> <p>12/97: HB 362, "The Electric Service Customer Choice and Rate Relief Act of 1997," was enacted. The bill provides for rate cuts for ComEd and Illinois Power effective 8/98. The law accords some commercial and industrial customers choice by October 1999, and all customers, including residential, choice for their generation supplier by 5/02. Transition charges may be collected through 2006. Most residential customers will receive a 15% rate reduction by 8/98, and another 5% reduction in 5/02.</p>
Investigative Studies	<p>1/00: The ICC issued a report, "Assessment of Competition in the Illinois Electric Industry Three Months Following the Initiation of Restructuring." The report summarizes the status of consumer choice in the State, finding that more consumers have switched suppliers in Commonwealth Edison's territory than other IL utilities, likely because ComEd has comparatively high rates for the State.</p>
Links to Tables on Restructuring Issues	<p><a href="#">[Retail Access]</a>   <a href="#">[Stranded Costs]</a>   <a href="#">[Public Benefits Programs]</a>   <a href="#">[Pilot Programs]</a></p>
Links to State Regulatory Commissions and Major Utilities	<p><a href="#">[Illinois Commerce Commission]</a>   <a href="#">[ICC restructuring page]</a>   <a href="#">[Illinois restructuring legislation]</a>   <a href="#">[CILCO]</a>   <a href="#">[Commonwealth Edison]</a>  <a href="#">[Ameren]</a>   <a href="#">[Illinois Power]</a>   <a href="#">[MidAmerican Energy]</a></p>
<b>Indiana</b>	
Legislation	<p>3/99: A restructuring bill, HB 648, was introduced, but failed to move beyond a committee hearing. The bill would have allowed retail competition by 2001, but was opposed by utilities, organized labor, and consumer and environmental groups.</p> <p>8/98: Executives from the 5 major investor-owned utilities met on 8/21 to reach agreements on issues. The group will continue to meet and attempt</p>

	<p>to draft restructuring legislation for 1999.</p> <p>2/98: A deregulation bill, SB 431, that would deregulate the industry by 2004 was defeated. IN's major utilities and other groups promised to begin meeting this spring to work out differences. Lawmakers will revisit restructuring issues in 1999 when new legislation is expected to be written.</p> <p>5/97: SB 427 created a legislative study committee that will meet through November on electric restructuring issues. A report is due 11/97.</p>
Investigative Studies	<p>7/00: The State Utility Forecasting Group, which was charged by the IN General Assembly to investigate the electricity supply, predicts that over the next 15 years competition could lower prices in the short term, raise them in the medium term, and level off in the long term. The State's investor-owned utilities, American Electric Power and NIPSCO, are working on proposals to submit to the 2001 General Assembly that would restructure the industry to allow retail competition.</p>
Links to Tables on Restructuring Issues	<p>[<a href="#">Retail Access</a>]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[<a href="#">Indiana Utility Regulatory Commission</a>] [<a href="#">IRC restructuring page</a>]                  [<a href="#">IPALCO Enterprises</a>] [<a href="#">NIPSCO</a>] [<a href="#">SIGECO</a>] [<a href="#">Cinergy restructuring page</a>]</p>
<b>Iowa</b>	
Regulatory Orders	<p>3/00: The DNR has proposed including a Renewable Portfolio Standard in restructuring legislaion. The proposal would require renewable energy sources, such as wind, to be 4% in 2005 and increase to 10% by 2015.</p> <p>2/99: The IUB announced MidAmerican will offer a 2-year pilot program in Council Bluffs, IA. An education program is beginning and customer sign-up for the pilot should begin 4/99, and delivery of power by 5/99.</p> <p>9/97: IUB adopted its "Action Plan to Develop a Competitive Model for the Electric Industry in Iowa." The plan includes a statewide pilot program for residential and commercial customers (about 3% of load) over 2 years.</p> <p>1/97: IUB final report on restructuring concludes there are few reasons to move quickly to retail competition.</p> <p>4/96: IUB adopted principles for restructuring the electric power industry.</p>

<p>Legislation</p>	<p>4/00: Proposed restructuring legislation died in Iowa as the legislative session ended in April without further action on SF 2361 or HF 2530.</p> <p>3/00: Debate on restructuring legislation is ongoing in the Iowa General Assembly, where companion bills, HF 2530 and SF 2361, are under consideration. Both bills would allow retail competition by 2002.</p> <p>3/99: HSB 218, a bill to restructure the industry to allow retail competition, was changed to HF740, and was not passed out of the House. The bill will likely be reconsidered in the 2000 session.</p> <p>2/99: Restructuring legislation, HSB 218, was introduced. The bill would allow retail competition to begin 5/1/02 for IOU's and allow municipals and cooperatives to opt-in by 10/1/02.</p> <p>5/98: S.J. 1491 was signed by the Governor. It will replace property taxes on electric utilities with excise taxes imposed on generation, transmission &amp; delivery of electricity. The changes in tax law are to address concerns that under coming deregulation, non-Iowas suppliers would have a competitive advantage over Iowa-based companies that were paying property taxes.</p> <p>4/98: A bill to introduce retail competition by 1/2000 was drafted, but will not be introduced until the 1999 legislative session.</p>
<p>Investigative Studies</p>	<p>4/99: The IUB released final reports on restructuring resulting from its 4-year studies. The released reports are: Making Competition Work: Addressing Issues of Market Structure and Market Power; Customer Education; Public Benefits; Reliability; and Universal Service.</p>
<p>Links to Tables on Restructuring Issues</p>	<p><a href="#">[Pilot Programs]</a></p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p><a href="#">[Iowa Energy Bureau, Department of Natural Resources]</a> <a href="#">[IEB restructuring page]</a> <a href="#">[Iowa Energy Center]</a> <a href="#">[Iowa General Assembly]</a>  <a href="#">[MidAmerican Energy restructuring page]</a> <a href="#">[Alliant]</a> <a href="#">[Iowa Association of Electric Cooperatives]</a> <a href="#">[Iowa Association of Municipal Utilities]</a></p>
<p><b>Kansas</b></p>	
<p>Legislation</p>	<p>5/99: Although several bills were introduced in the 1999 legislative session to restructure the industry, no electric restructuring measures were acted on when the session adjourned May 2. The issue will likely be taken up again in the 2000 session.</p> <p>4/98: The Task Force's restructuring bill was not acted on in the 1998 session. Legislation will likely be introduced again in 1999.</p> <p>2/98: The Retail Wheeling Task Force's restructuring bill is introduced in the legislature. Also being considered are a bill to establish a joint</p>

	<p>committee on taxation of public utilities and a bill to require utilities to disclose generation, transmission, and distribution charges and sales, use, and franchise taxes and any fees relating to the retail sale of electricity.</p> <p>4/96: The Retail Wheeling Task Force was established with passage of HB 2600, which also prohibits the Commission from authorizing retail competition prior to 7/99. A report with a model for legislation is due 1/98. The legislation also froze retail rates for 3 years.</p>
Investigative Studies	<p>1/98: The Retail Wheeling Task Force issued a final report and draft restructuring bill that calls for retail access after 7/2001.</p>
Links to State Regulatory Commissions and Major Utilities	<p><a href="#">[Kansas Corporation Commission]</a> <a href="#">[KCC restructuring page]</a>  <a href="#">[Kansas City Power &amp; Light Company]</a> <a href="#">[Utilicorp United]</a> <a href="#">[Western Resources]</a></p>
<b>Kentucky</b>	
Regulatory Orders	<p>4/99: The PSC issued an order to reduce rates for KU and LG&amp;E subsidiaries. Under a performance-based ratemaking approach, rates will be reduced \$52 million over 5 years. While not restructuring for competition, the order should provide efficiency incentives for utilities.</p>
Legislation	<p>4/00: Kentucky's 2000 General Assembly reauthorized the <a href="#">Task Force on Electricity Restructuring in Senate Joint Resolution 07(SJR 107)</a> in April 2000 for the purposes of monitoring developments in electric power restructuring, maintaining knowledge of the issues, studying within the context of low-income assistance, and making recommendations to the 2002 General Assembly. The task force is to report to the Legislative Research Commission and the Governor no later than November 15, 2001</p> <p>1/00: The <a href="#">Task Force on Electricity Restructuring</a> issued its final report on December 13, 1999. The report recommends that no action be taken in 2000 to restructure the industry. Reasons include Kentucky's low rates, which may see greater variability under restructuring.</p> <p>4/98: The 1998 legislative session ended with no action taken on the restructuring bill, HB 443. During the interim session, a special subcommittee on energy will review and draft a bill to prefile for the 1999 session.</p>
	<p>4/98: HRJ 95 passed legislature and signed by Governor to create the Kentucky Task Force on Electric Restructuring. A report is due 11/99.</p> <p>1/98: HB 443 to restructure the electric power industry is introduced and referred to committee. The bill proposes retail access be phased-in beginning 1/2000 and full retail access by 12/2005.</p>

Investigative Studies	6/99: A study produced by RDI for the Special Task Force on Electricity Deregulation concluded that retail prices in KY could rise under competition. KY has the third lowest retail prices in the Nation. The Task Force on Electric Restructuring continues to meet and discuss issues. The task force has held discussions on reliability of service, consumer protections, unregulated utility businesses, and a review of other States' restructuring activities.
Links to State Regulatory Commissions and Major Utilities	<a href="#">[Kentucky Public Service Commission]</a> <a href="#">[Kentucky Legislature]</a> <a href="#">[Kentucky Utilities]</a> <a href="#">[LG&amp;E]</a> <a href="#">[Kentucky Association of Electric Cooperatives]</a>
<b>Louisiana</b>	
Regulatory Orders	<p>1/01: The PSC issued a draft restructuring plan that would allow large industrial customers retail choice starting in January 2003. Utilities would not be required to divest their generation assets needed to serve their customer demands.</p> <p>3/99: The PSC issued an order stating that "...a deliberate and cautious approach is still warranted" for restructuring the electric industry. A schedule was set through 8/2000 to study the issues: consumer education; stranded costs; regional planning and reliability; market power; rate unbundling; functional unbundling; independent system operators; and transition mechanisms.</p> <p>2/99: A draft report by the PSC advises not to go ahead with deregulation due to concerns that residential consumers could experience higher prices. The report also says that, however, if deregulation does go forward, it should allow large industrials to shop for power while limiting rates for small consumers. Louisiana consumers currently enjoy rates less than the national average.</p> <p>1/99: Entergy Gulf States and Entergy Louisiana submitted restructuring proposals to the PSC. The PSC Chairman expects the PSC to rule that restructuring is in the best interest of the State, but expects LA to take a slow approach to retail access.</p> <p>8/98: PSC conducted hearings on stranded costs. Participants included Central Louisiana Electric Company, Enron, and Gulf State Utilities.</p> <p>8/97: The PSC opened Docket U-21453 on whether electric industry restructuring is in the public interest.</p>

<p>Legislation</p>	<p>3/98: The PSC committee and the legislative committee met on 3/16/98 to discuss the tax implications of deregulation.</p> <p>6/97: Resolution 150 created a study committee on electric power restructuring with reports on various issues due in 1998.</p> <p>5/97: All bills that were introduced in 1997 session failed.</p>
<p>Investigative Studies</p>	<p>7/01: The staff of the Louisiana Public Service Commission issued its final report, <u>Final Response of the Commission Staff to Comments on Proposed Competitive Transition Plan</u>, to the PSC. The report recommends some changes to the transition plan issued in January including allowing open access to competitive service providers to only large industrial customers with loads averaging 5 MW or more rather than the original 2 MW load. Even though the PSC ruled two years ago that open access was not in the State's best interest, study of the issue has continued due to concerns about economic development. The report recommends another study due in 2005 to determine if competition would benefit all classes of customers. However, the PSC did not take any action on this latest report at their most recent meeting, but may take it up in its September meeting.</p> <p>5/99: The PSC staff presented a report on restructuring recommending a slow approach. The report raises skepticism on the benefits to residential consumers, citing California's retail market where they say too few electricity suppliers exist to have true competition. The report states that Louisiana has lower than average electric rates, and competition could increase prices, not lower them. The report recommends no action toward retail competition be taken at this time, but "reluctantly" submitted a draft restructuring plan in case the PSC decides to go ahead. In Louisiana, the PSC could order retail competition without legislative action.</p> <p>12/97: The PSC voted to accept a staff report recommending further study on issues surrounding electricity restructuring. The PSC will develop draft legislation for the 1999 session.</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">Louisiana Public Service Commission</a>] [<a href="#">PSC restructuring page</a>]                  [<a href="#">Entergy</a>] [<a href="#">Southwestern Electric Power Company</a>] [<a href="#">Central Louisiana Electric Company</a>]</p>
<p><b>Maine</b></p>	
<p>Regulatory Orders</p>	<p>3/01: Upon termination of the bid process, the PUC ordered Central Maine Power to provide standard offer service from March 2001 to March 2002 for medium and large nonresidential customers and set the standard offer rates for these classes of customers. The PUC approved CMP contracts with wholesale suppliers to supply the power for the standard offer customers, and approved nonresidential standard offer rates ranging from 5.6 cents for off peak non summer to 14.6 cents for on peak summer.</p>

	<p>10/00: The PUC issued a request for bids to provide service for Bangor Hydro, Maine Public Service, and Central Maine Power standard offer customers. The bidding process was revised from last year's, streamlining the process and giving bidders more flexibility in hopes of attracting better offers.</p> <p>1/00: In 1999, the PUC finalized the rules necessary to implement electric restructuring March 1, 2000. Companies were selected to provide standard offer service at reasonable prices for the majority of electricity consumers in Maine. Principles were established for setting rates, including stranded costs, for distribution and transmission utilities in the State. The three IOU utilities sold their generation assets.</p> <p>10/99: The PUC rejected the bids received for standard offer service for Central Maine Power and Bangor Hydro territories, saying they were too high. Using three service bids that were conditionally approved for Maine Public Service for a new ceiling, and revising some technical rules, a second round of bidding will be due November 8. The standard offer providers are to be selected by December 1.</p> <p>5/99: The PUC issued a schedule for suppliers to offer standard service when retail competition begins 3/00. Standard service price will be set through a bid process, rather than a predetermined price, as in other states.</p> <p>12/98: The PUC will begin a consumer education program in January 1999 to prepare the public for retail access and unbundled billing.</p> <p>5/98: PUC adopted a requirement that beginning 1/1/99 utilities must issue bills showing "unbundled" charges for generation and distribution, rules for consumer education, and standard offer service for all consumers when competition begins 3/1 2000.</p> <p>12/96: The PUC issued a plan requiring utility functional unbundling, divestiture of generation assets by 3/2000, and retail competition by 2000.</p>
<p>Legislation</p>	<p>5/97: LD1804 was enacted. The law will allow retail competition by 3/2000 and, for large investor-owned utilities, features a market share cap of 33% in old service areas, a requirement for divestiture of generation assets by 3/00, and the nation's most aggressive renewables portfolio, requiring 30% of generation to be from renewable energy sources (including hydroelectric).</p>
<p>Links to Tables on Restructuring Issues</p>	<p><a href="#">[Retail Access]</a>   <a href="#">[Stranded Costs]</a>   <a href="#">[Public Benefits Programs]</a>  <a href="#">[Additional Information]</a></p>

<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">Maine Public Utilities Commission</a>] [<a href="#">PUC restructuring page</a>]                  [<a href="#">Central Maine Power</a>] [<a href="#">Maine Public Service</a>] [<a href="#">Bangor Hydro</a>]</p>
<p><b>Maryland</b></p>	
<p>Regulatory Orders</p>	<p>1/00: The PSC approved PEPCO's restructuring plan. PEPCO customers will begin retail direct access by July 2000. PEPCO also received approval to sell its generation assets.</p> <p>1/00: The PSC approved Allegheny Energy's restructuring settlement. The settlement will allow almost all of Allegheny's Maryland customers direct access to their electricity supplier of choice by July 1, 2000, two years earlier than required by the State law.</p> <p>8/99: Public hearings on BG&amp;E's proposed restructuring settlement began in August. The Mid-Atlantic Power Supply Association (a coalition of energy supply companies) opposes the settlement on the grounds that the price to compare at BG&amp;E, set at 4.3 cents per kilowatthour, are too low to allow competition. Also suggested was that the stranded cost recovery for BG&amp;E be lowered. The three-day hearings were concluded Aug. 13; closings arguments are due 8/30; and rebuttals due by 9/30. The PSC will issue a decision in October.</p> <p>7/99: Baltimore Gas &amp; Electric filed a proposed restructuring plan with the PSC. The plan includes a 6.5 rate decrease over six years for residential customers, \$528 million for stranded costs, a six year rate freeze and phase out of transition costs, and customer choice for all residential and business customers by 7/1/00. Public hearings are set for July and August for comments to the plan. A decision on the plan is due in October.</p> <p>10/98: Five utilities in Maryland announced that they asked a state court to stop the PSC deregulation effort until several issues are resolved, including the issue of stranded costs recovery.</p> <p>4/98: A PSC order established roundtable discussions on restructuring issues: universal service, supplier authorization, demand-side management programs, customer protection, competitive billing, and consumer education. The discussion groups were to submit reports in 5/99 and 7/99.</p> <p>12/97: The PSC issued an order establishing a framework for the restructuring of the electric power industry. The plan's schedule: a third of the State's consumers will have retail access by 7/00; another third by 7/01; and the entire state by 7/02. Round table discussions to address implementation of specific issues will commence in April 1998. For the order to be effective, legislation must be passed.</p>

<p>Legislation</p>	<p>4/99: HB 703 (SB 300), restructuring legislation, was enacted. The legislation includes at least a 3% rate reduction for residential consumers, funding for low-income programs, stranded cost recovery to be determined by the PUC, disclosure of fuel sources by electric suppliers, recovery of stranded costs through a nonbypassable wires charge, and a 3-year phase-in for competition beginning in July 2000 and becoming complete by 7/02.</p> <p>1/99: A bill to allow BG&amp;E to form a holding company was enacted. The law will make it easier for BG&amp;E to enter into new business ventures in a competitive market. Maryland was the only state that prevented public utilities from forming holding companies.</p> <p>4/98: A proposal to allow retail competition was added as an amendment to a bill that would allow BG&amp;E to form a holding company. No action was taken on the bill and the legislation was effectively killed when the session ended in April.</p> <p>12/97: The Legislative Task Force held hearings and issued conclusions and recommendations.</p> <p>4/97: SB 851 created a task force on electric industry restructuring that will issue a report by 12/97.</p>
<p>Investigative Studies</p>	<p>5/97: A PSC staff report recommends retail choice be phased-in beginning 4/99 and be completed by 4/00.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[<a href="#">Retail Access</a>] [<a href="#">Stranded Costs</a>] [<a href="#">Public Benefits Programs</a>]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">Maryland Public Service Commission</a>] [<a href="#">PSC restructuring page</a>] [<a href="#">Maryland restructuring legislation</a>] [<a href="#">Conectiv</a>] [<a href="#">Baltimore Gas &amp; Electric</a>] [<a href="#">Potomac Electric Power Company</a>]</p>
<p><b>Massachusetts</b></p>	
<p>Regulatory Orders</p>	<p>8/01: The MA DTE approved fuel adjustment rate increases for standard offer rates by 1.23 cents per kWh for most customers of Massachusetts utilities. Utilities submitted <a href="#">Standard Offer Fuel Adjustment Filings</a> with the DTE requesting increases in standard offer rates to reflect the rising cost of fuel to generate electricity.</p> <p>7/01: In June, the MA DTE, seeking to boost customer participation in the open electricity market, issued an order for utilities to release, with customer approval, default customers' information to competitive suppliers. Suppliers may request names, addresses, and rate classes of default service customers.</p> <p>12/00: In response to the rising costs of wholesale power purchases driven by the increasing prices of natural gas and petroleum, the Massachusetts</p>

Department of Telecommunications and Energy raised standard offer rates for the Boston Edison Company to 5.821 cents/kWh from 4.5 cents/kWh. Cambridge Electric Light Company and Commonwealth Electric Company's rates will raise its rates to 5.121 cents/kWh from 3.8 cents/kWh. Massachusetts Electric Company's new rates will be 5.26 cents/kWh from 3.8 cents/kWh. Fitchburg Gas and Electric Company's new rates will be 5.121 cents/kWh from 3.8 cents/kWh. Finally, Western Massachusetts Electric Company will raise its rates to 7.383 cents/kWh from 4.557 cents/kWh. The standard offer rates of these companies were raised in order to compensate them for their losses on wholesale power purchases due to rising fuel costs. The rates will take effect on January 1, 2001. Regulators also hope the SO rate increases will stimulate the lethargic retail market in the New England States.

7/00: The DTE issued a rule that will allow utilities to base their rates for default service on the wholesale bid prices, beginning January 2001. Utilities complained that the required rate, set below the cost of wholesale power, was causing them to lose money on default customer accounts. Utilities may begin issuing competitive bids seeking 6-month to 1-year contracts for the power needed to serve their default service customers. Default service is defined as those customers who have left their competitive supplier, or are new to the utility's territory.

7/00: The DTE is considering two courses of action, as required by the restructuring legislation passed in 1998. The law requires the DTE to consider opening metering, billing, and information services to competition, and also requires the DTE to look into eliminating exclusive service territories for investor-owned utilities.

5/98: Education program for consumers begins with showing the labels that will disclose the price of electricity, generation sources, and air emission contents.

4/98: DTE issued rules for distribution, default generation services, standard offer generation, aggregation requirements, and ownership of meters.

1/98: The Department of Telecommunications and Energy (DTE) issued implementation rules for the restructured industry. Included are licensing and information disclosure for retail suppliers and provisions for public interest programs, standard offer service, and utility transition cost recovery filings.

11/97: The DTE final decision is to officially open the retail electricity market to competition by 3/1/98.

12/96: The DTE issued a restructuring plan for full retail competition by 1/1/98.

<p>Legislation</p>	<p>11/98: The ballot initiative to repeal the electric industry restructuring law was unsuccessful. Voters defeated Question 4 by 71% of the vote.</p> <p>7/98: The Supreme Judicial Court cleared the way for the ballot referendum to repeal the restructuring law to appear on November's ballot. Both challenges, the signatures' validity and the constitutionality of the law in reference to appropriations, brought by business and industry groups were rejected by the court.</p> <p>11/97: Legislation (HB 5117) was enacted to restructure the electric power industry. The law requires retail access by 3/98, rate cuts of 10% by 3/98 and another 5% 18 months later, and encourages divestiture of generation assets.</p>
<p>Links to Tables on Restructuring Issues</p>	<p><a href="#">[Retail Access]</a> <a href="#">[Stranded Costs]</a> <a href="#">[Public Benefits Programs]</a> <a href="#">[Pilot Programs]</a> <a href="#">[Additional Information]</a></p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p><a href="#">[Massachusetts Department of Telecommunications &amp; Energy restructuring page]</a> <a href="#">[DTE restructuring page]</a> <a href="#">[Massachusetts restructuring page]</a>  <a href="#">[Massachusetts Electric]</a> <a href="#">[NEES]</a> <a href="#">[Nantucket Electric]</a> <a href="#">[Western Massachusetts Electric]</a> <a href="#">[NSTAR]</a> <a href="#">[Eastern Utilities - Eastern Edison]</a> <a href="#">[Fitchburg Gas and Electric Light Co]</a></p>
<p><b>Michigan</b></p>	
<p>Regulatory Orders</p>	<p>10/01: The PSC issued an order October 11, 2001, to adopt the settlement agreement and authorizing Wisconsin Electric Power Co, Edison Sault Electric Co, Wisconsin Public Service Corp, Upper Peninsula Power Co, Northern States Power Co - Wisconsin, Indiana Michigan Power Co, and Alpena Power Co to implement Customer Choice and Electricity Reliability Act implementation plans.</p> <p>1/01: The PSC issued a final order authorizing Detroit Edison to securitize \$1.77 billion in costs by issuing bonds. The refinancing will allow DE to implement a 5-percent reduction in rates.</p> <p>6/00: The PSC issued a series of orders to implement the restructuring legislation, which was signed into law on June 3, 2000. In the Orders the PSC directed: Consumers Energy and Detroit Edison to file, by September 20, revised tariffs to implement retail access programs; investor-owned utilities, other than DE and CE, and cooperatives that have any customer with a peak load of 1 MW or more, to file restructuring plans to implement retail access; MPSC staff to consult with utility owners, merchant plant owners, and other stakeholders to develop standards for the interconnection of merchant plants; utilities to file reports with the PSC when they learn of any reductions in federal funding for low-income and energy assistance programs; and electric generating facilities to file reports with the PSC on compliance with all applicable federal Environmental Protection Agency regulations governing mercury emissions. The PSC issued also issued an order that establishes the</p>

	<p>framework for alternative electric suppliers to participate in retail electric markets under the restructuring law.</p> <p>8/99: The PSC established September 1, 1999, as the deadline for Detroit Edison and Consumers Energy to notify the PSC of their intent to voluntarily implement the Electric Choice plan, as ordered by the PSC in six orders issued between 6/97 and 8/99. Both DE and Consumers have announced that they intend to implement retail competition under a voluntary basis. The Governor issued a statement in which he stated that he "continued to support the implementation of the MPSC's Orders to begin the creation of a competitive market" and that "the next step is to codify those Orders into law..."</p> <p>6/99: The MI Supreme Court decided that the PSC does not have the authority to mandate retail wheeling. However, Consumers Energy and Detroit Edison, which serve 90% of the consumers in Michigan, are voluntarily restructuring according to the PSC restructuring plan. All of their consumers will have retail access by 1/1/02.</p> <p>3/99: A PSC Order adopted implementation plans for 2.5% of Detroit Edison and Consumer's Energy consumers to choose electric suppliers beginning September 1999. Another 2.5% will be added each 6 months until all consumers have retail access by 1/1/02.</p> <p>4/98: Responding to the PSC order, Consumers Energy and Detroit Edison filed restructuring plans to implement retail competition. In other PSC action, the utilities were ordered to file plans for obtaining additional capacity for this summer.</p> <p>1/98: PSC completed final action on rehearing orders required to introduce competition into the state's electric utility market. A phase-in schedule was adopted allowing 2.5% of Consumer's Energy and Detroit Edison customers retail access as early as 3/98, adding another 2.5% on 6/98, 1/99, 1/00, and 1/01 and all consumers by 2002.</p> <p>6/97: PSC order set forth the framework for electric industry restructuring.</p>
<p>Legislation</p>	<p>6/00: Public Act 141 of 2000 and companion Public Act 142 were signed into law on June 3, 2000. The comprehensive restructuring legislation will allow all consumers retail choice by January 2002. Detroit Edison and Consumers Energy residential consumers will receive an immediate 5-percent rate reduction. The reduced rates will then be frozen at least until December 31, 2003. Rates for large commercial and industrial consumers will also be capped through 2003, and small business consumers' rates will be capped at current levels through 2004. Other provisions of the law include: requiring the PSC to issue orders that will prevent "slamming" and "cramming"; creating a low-income and energy efficiency fund of approximately \$40 million per year for 6 years; creating a consumer education program; authorizing stranded cost recovery and</p>

	<p>securitization (refinancing of debt); licensing new suppliers; and requiring a study of the effects of mercury emissions from the electric power industry in the State. The PSC was given authority to implement restructuring and retail competition.</p> <p>1/00: Restructuring legislation was introduced by Senator Dunaskiss on January 25, 2000. The Senator states that he expects debate and passage of the bill by early in the year. The bill will offer full retail access by January 2002, a three-year rate freeze for customers choosing to remain with their regulated utility, and provisions for netting stranded costs and stranded benefits. DTE does not support the bill as is, but requires amendments on issues of market power and stranded cost recovery.</p> <p>6/99: A series of 6 bills (HB 4789-91 and SB 642-44) were introduced that would restructure the electric power industry. With the decision by the MI Supreme Court that the MPSC does not have the authority to mandate retail wheeling, the legislation was proposed to keep restructuring alive in MI. Neighboring States, Illinois and Ohio, having restructured, have lowered prices, making MI's the highest priced electricity in the Midwest States.</p> <p>12/98: The legislature adjourned from its 1998 session without passing the restructuring bill. Meanwhile, the PSC will move forward with its plan to open the retail electric market by 2002 and the State Supreme Court will rule on whether the PSC has the authority to move forward.</p> <p>11/98: The Senate Technology and Energy Committee passed a bill to implement retail competition beginning with 7.5 % of consumers and all consumers by 1/1/02. The bill allows collection of transition fees and recovery of stranded costs through 2007.</p> <p>4/98: Legislation to introduce retail competition was not acted on in 1998.</p> <p>1/98: A bill was introduced to provide a 3-year phase-in for retail access, stranded cost recovery, and major customer protections.</p>
<p>Links to Tables on Restructuring Issues</p>	<p><a href="#">[Retail Access]</a> <a href="#">[Stranded Costs]</a></p>
<p>Links to State</p>	<p><a href="#">[Michigan Public Service Commission]</a> <a href="#">[PSC restructuring page]</a></p>
<p>Regulatory Commissions and Major Utilities</p>	<p><a href="#">[Consumers Energy]</a> <a href="#">[Detroit Edison]</a> <a href="#">[Michigan Public Power Agency]</a></p>
<p><b>Minnesota</b></p>	
<p>Legislation</p>	<p>5/97: The Legislature created The Minnesota Legislative Electric Energy Task Force to review and analyze issues relating to electric power industry restructuring. A report is due 1/98.</p>

<p>Investigative Studies</p>	<p>09/00 - A report by the Minnesota Department of Commerce recommends changes in the State's power industry but not full electric competition. The report, entitled "<u>Keeping the Lights On: Securing Minnesota's Energy Future</u>" stated that the Department would not recommend implementation of full retail electric competition because of potential shortfalls in available energy. The Department estimates that by 2006 the Midwest could encounter an energy shortfall of 5,000 MW, and in its report proposes a change in the tax structure to promote the building of new power plants. The report also includes suggestions for mandated statewide energy planning, increased energy conservation, and competition on the wholesale level. Fourteen public meetings on the proposal have been scheduled across the state through the end of October.</p> <p>1/00: The Minnesota Legislative Electric Energy Task Force's January 2000 report confirmed that there is still no underlying consensus among stakeholders as to whether the state should restructure. However, most stakeholders also believe that restructuring in MN is inevitable and that there are many areas of consensus in terms of the broad issues. The report recommends that the task force's term be extended beyond its current expiration date of June 30, 2000. The task force also recommends that staff draft a restructuring plan or outline restructuring options to assist the legislature in its determination of whether and how MN should restructure.</p> <p>1/99: The Minnesota Legislative Electric Energy Task Force's January 1999 report recommended that a continued study of electric restructuring issues. A 1999 work plan was drafted and a report is due 1/00.</p> <p>1/98: The Minnesota Legislative Electric Energy Task Force, created by HB 3654, in a newly released report to the 1998 legislature recommended against acting on electric industry restructuring in the 1998 session. It recommended further study of the issues with a report due 1/99.</p> <p>10/97: PUC issued a report that reflects the discussions held by the MN PUC Electric Competition Work Group from 2/96 to 10/97. The report identifies restructuring issues and is intended as a starting point for state policy makers and stakeholders to restructure the electric industry.</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">Minnesota Legislature</a>] [<a href="#">Minnesota Public Utilities Commission</a>]                  [<a href="#">Minnesota Power</a>] [<a href="#">Northern States Power</a>] [<a href="#">Otter Tail Power</a>]                  [<a href="#">Great River Energy</a>]</p>
<p><b>Mississippi</b></p>	

<p>Regulatory Orders</p>	<p>5/00: The PSC concluded that a competitive electric power industry would not be beneficial to the State's consumers at this time. After several years of hearings and investigation into the benefits of competition, a decision was made to suspend the 1996 docket opened by the PSC to investigate electric power industry restructuring. Prices for electricity in MS are below the national average, and studies conducted by the PSC indicate that prices for residential and small consumers could rise in a competitive environment.</p> <p>6/98: The PSC issued a Revised Proposed Plan for retail competition that addresses the comments received from industry, consumers, suppliers, and utilities. Hearings will be held throughout 1999 to address the issues and retail competition will be phased-in beginning 1/1/01 through 1/1/04, pending authorizing legislation.</p> <p>5/98: PSC issued orders to conduct studies on market power and cost of service.</p> <p>4/98: The PSC will receive comments and hold hearings on its restructuring plan.</p> <p>1/98: Entergy Mississippi commented to the PSC that the restructuring plan was overly optimistic and recommended January 2002 as the earliest date to begin retail competition.</p> <p>7/97: PSC issued an order requesting the Public Utilities Staff to develop a plan for restructuring the industry, due by 11/97. The plan, if accepted, will be a basis to draft legislation for 1999.</p>
<p>Legislation</p>	<p>9/98: The first legislative hearing on restructuring the electric power industry was held in September 1998. The Mississippi Senate Committee heard 2 days of testimony on the impact of restructuring the electric power industry. The committee chair said Mississippi stands to gain from electricity deregulation because of its abundant natural resources.</p> <p>3/97: HB 1130 authorized the PSC to consider alternative methods of regulating the electric and gas industries.</p> <p>1/97: Bill introduced that proposed retail choice by 7/2003. Bill failed.</p>
<p>Investigative Studies</p>	<p>11/97: The Public Utilities Staff presented a report to the PSC proposing retail choice to begin by 1/01 and be completed by 12/04, unbundling of services and rates, and recovery of stranded costs to be determined by the PSC. Implementation of the plan requires legislation to be passed by 1999.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[Stranded Costs]</p>

<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">Mississippi Public Service Commission</a>] [<a href="#">PSC restructuring plan</a>]                  [<a href="#">Entergy</a>] [<a href="#">Mississippi Power Company</a>]</p>
<p><b>Missouri</b></p>	
<p>Regulatory Orders</p>	<p>9/01: The PSC approved the reorganization of Kansas City Power &amp; Light (KCPL). KCPL will form a holding company, Great Plains Energy, Inc., with three subsidiaries: KCPL which engages in the generation, transmission, distribution and sale of electricity to approximately 467,000 customers located in western Missouri and eastern Kansas., Great Plains Power, Inc. which develops competitive generation for the wholesale market, and KLT, an unregulated subsidiary with investments in energy-related businesses. Conditions of the reorganization are designed to protect KCPL customers. Also, purchase supply agreements between KCPL and Great Plains Power or its affiliates will require PSC approval and must be cost-based.</p> <p>3/97: PSC established the Retail Electric Competition Task Force to study retail wheeling and related issues and prepare reports for the PSC. Four working groups were established and are to submit reports no later than 4/98.</p>
<p>Legislation</p>	<p>2/99: Several bills were introduced in the legislature that would restructure the industry to allow retail access by 1/00 or by 1/02.</p> <p>5/98: SB 728, to restructure the electric power industry and allow retail competition by 1/2000, was introduced. No action was taken in the 1998 legislative session.</p> <p>1997: HCR7 created a panel of legislators to study retail wheeling; a report is due by 1/98.</p>
<p>Investigative Studies</p>	<p>5/98: The Retail Electric Competition Task Force issued its Final Report to the PSC with recommendations on issues including public interest programs, stranded costs, taxes, reliability, and market power.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[<a href="#">Pilot Programs</a>]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">Missouri Public Service Commission</a>] [<a href="#">PSC restructuring task force page</a>] [<a href="#">Empire District Electric Company</a>] [<a href="#">Kansas City Power &amp; Light</a>]                  [<a href="#">Ameren</a>] [<a href="#">Utilicorp United - Missouri Public Service</a>]</p>
<p><b>Montana</b></p>	

<p>Regulatory Orders</p>	<p>1/01: The PSC approved an interim \$14.5 million increase in delivery rates for Montana Power customers. The increase represents a 4.5-percent increase for customers who buy their power from Montana Power and a 7.5-percent increase for customers who buy power from competitive suppliers.</p> <p>11/00: The Montana PSC has decided to delay complete retail access for all consumers from July 2002 to July 2004 because the state does not have a competitive power supply market in place. Most rural electric cooperatives have opted not to restructure or offer retail choice. Also, Montana Power customers have not been switching to retail choice in large numbers. All Energy Northwest customers will be returned to Montana Power service because the Public Service Commission has imposed a rate hike moratorium on Montana Power customers through July 1, 2002.</p> <p>6/98: PSC approved a plan to phase-in competition. Beginning 7/1/98, Montana Power's largest customers (loads over 1 MW) will be able to choose their energy supplier. Beginning 11/98, 5% of residential and small consumers will select their power supplier under a pilot program. Full retail access should be complete by 4/00.</p>
<p>Legislation</p>	<p>5/01: 6/01: HB 474 was signed into law, significantly altering the existing restructuring legislation, and extending the transition period to July 1, 2007. HB 474 allows customers being served by alternative suppliers to switch to the default supplier providing that the customer does not resell the electricity. The PSC is directed to adopt a mechanism to ensure the default supplier may fully recover electricity supply costs in rates. The Montana Board of Investment is authorized to invest in 450 MW of new generation projects and 120 MW in purchases from PURPA qualifying facilities that meet certain criteria. Approved projects must have contracts for the sale of power to the default suppliers or a Montana industry, and are to be "collateralized by payments from the sale of the electricity produced by the project..." Additionally, HB 474 creates a Montana Power Authority, financed by revenue bonds, to purchase, construct and operate electric generating or transmission or distribution systems or enter into joint ventures for these purposes. Also, a Consumer Electricity Support Program is created as a State revenue fund derived from the electrical energy excess revenue tax. The program is to promote price stability and fund default customers, Universal Service programs, low-interest loans for new or upgraded transmission facilities or new generation facilities. The Universal System Benefits Charge is extended from July 1, 2003 to December 31, 2005, and public utilities are to offer a product composed of electricity from renewable resources.</p> <p>7/99: SB 406 was enacted this spring. This legislation, the electricity Buying Cooperatives law, allows residential and small business customers to combine their buying power to form a cooperative. As a result, a cooperative is being formed that would buy up to 330 MW from the</p>

	<p>market to serve up to 250,000 customers statewide. The law exempts electricity suppliers from laws that prohibit cooperatives from expanding into cities of more than 3,500 persons.</p> <p>6/98: Issue 138, to repeal the restructuring law did not obtain adequate signatures for inclusion on the November ballot. Official verification of signatures will be made in 7/98.</p> <p>4/98: A ballot initiative was filed that would repeal the 1997 restructuring law. The groups involved must gather the required signatures by June 1998 to put it on the November ballot.</p> <p>4/97: SB 390, the Electric Utility Industry Restructuring and Customer Choice Act, was enacted allowing large industrial consumers retail access by 7/98 and all consumers by 7/2002. The bill also includes a 2-year rate freeze beginning 7/98.</p>
Links to Tables on Restructuring Issues	<p>[<a href="#">Retail Access</a>] [<a href="#">Stranded Costs</a>] [<a href="#">Pilot Programs</a>]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[<a href="#">Montana Public Service Commission</a>] [<a href="#">PSC restructuring page</a>]  <a href="#">[Montana restructuring law]</a> [<a href="#">Montana Power</a>] [<a href="#">Montana-Dakota Utilities</a>]</p>
<b>Nebraska</b>	
Legislation	<p>6/96: Legislation enacted to allow a 3-year study on electric power industry restructuring, with reports due in 12/97 and 12/99.</p>
Investigative Studies	<p>2/98: Phase I final report on electric power industry was issued. The report focuses on the existing structure of the industry and how to improve it. Phase II of the study will address competition issues and policy changes needed to keep public power viable. The Phase II report is due 12/99.</p>
Links to Tables on Restructuring Issues	<p>[<a href="#">Additional Information</a>]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[<a href="#">Nebraska Public Service Commission</a>] [<a href="#">Nebraska Public Power District</a>]  <a href="#">[Omaha Public Power District]</a></p>
<b>Nevada</b>	

<p>Regulatory Orders</p>	<p>3/01: Deregulation was indefinitely delayed in Nevada (see Governor's decisions below).</p> <p>8/00: The PUC has set a schedule for opening the retail market in Nevada. The market will open November 1, 2000 for the largest commercial customers, in April 2001 for medium commercial customers, and in June 2001 for small commercial customers. Residential customers will be phased in from September 1 through December 31, 2001.</p> <p>2/99: The PUC decided to delay deregulation of the electric power industry previously set to begin at the end of 1999 according to legislation passed in July 1997. They cite a list of "unresolved issues," as the reason for the delay.</p> <p>6/98: The PUC issued an order that defines which utility-related services, aside from selling electricity, could be open to competition. Areas of activity expected to be opened up to competition include metering, billing, and customer service.</p> <p>11/97: As part of its ongoing investigation, the PUC ordered Nevada Power and Sierra Pacific Power Co to submit filings which demonstrate each distinct component of electric service (unbundled costs). Hearings will be held beginning in 12/97.</p> <p>8/97: PUC Order opened a docket to investigate issues to be considered as a result of restructuring.</p>
<p>Legislation</p>	<p>7/01: AB661 was enacted, revising and repealing certain provisions of NV restructuring law. The law allows eligible large customers, those using 1MW and above, to choose an alternative supplier for power with permission from the State PUC. The law also contains provisions to fund low-income energy assistance with a universal energy charge and to revise and repeal various provisions concerning the regulation of public utilities and the process of establishing and changing rates.</p> <p>7/01: SB 372 was enacted, requiring the two investor-owned utilities in Nevada to provide 5% of their power from renewable resources by 2003, and 15% from renewables by 2013. Currently in Nevada, about 3% of electricity is generated using renewable energy sources.</p> <p>5/01: Legislation was enacted to revise and repeal certain provisions of the State's restructuring law governing the regulation of electric utilities. AB 369 will return electric utilities to regulation and bar the sale of their power plants before July 1, 2003. Also, utilities will be able to use a deferred accounting method to protect consumers from wholesale price volatility. Retail rates will remain at April 2001 levels, which include the rate increase of over 17 percent approved in March 2001, until early next year when adjustments may be made in accordance with the costs of procured power over the past year. Any needed increases to clear the</p>

deferred accounts will be spread out over several years.

3/01: The Governor issued the Nevada Energy Protection Plan, a comprehensive strategy to provide energy reliability, consumer protection, and long-term rate stability to Nevadans. The plan includes an indefinite halt to electric utility deregulation at this time due to high demand, low supply, and unstable prices. The plan also re-examines utility plant divestiture, seeks to accelerate power plant and transmission line construction, and offers to protect consumers from increasing high energy costs.

1/01: The Governor's energy panel has now recommended that only large customers will be allowed retail choice until supply and wholesale prices have become more stable in the western markets. Residential retail access has been put on hold indefinitely.

10/00: Nevada Governor Kenny Guinn has extended the deadline for the start of competition for the second time this year. The market, which was most recently scheduled to open up for large commercial customers on November 1, 2000, will now open on September 1, 2001 for all customer classes in the State.

7/00: A NV legislator intends to introduce legislation in 2001 that would return the utilities to regulation. Recent problems with price spikes and reliability in the western states is prompting legislators to rethink deregulation.

4/00: Sierra Pacific Resources, the parent company of Nevada Power and Sierra Power, filed suit in Federal court claiming the 1999 Nevada restructuring law is unconstitutional. The suit could delay opening the Nevada retail electricity market to competition. An issue of disagreement between the PUC and Nevada Power is a recent rate case, where Nevada Power requested an increase in rates, prior to the rate freeze mandated in restructuring legislation. The PUC ruled against a rate increase, and instead recommended a slight decrease. (3/01: Sierra Power has dropped the lawsuit.)

3/00: The Governor delayed opening the retail market, originally scheduled for March 1, indefinitely. Issues to be resolved include funding the Mountain West Independent Scheduling Administrator and decisions on a series of major cases before the PUC regarding unbundling, stranded cost recovery, and rate freezes.

6/99: Legislation was enacted, SB 438, which is an amendment to the 1997 restructuring legislation, AB 366. The bill delays the opening of the retail market by 3/00, and gives the Governor, rather than the PUC, the authority to select another date if he deems it in the best interest of consumers. It also caps residential rates for the first 3 years. The bill allows an incumbent utility to use its name and logo for affiliates

	<p>competing in the unregulated power market.</p> <p>4/99: A Senate committee approved a bill that would allow all consumers retail access by March 2000 and freeze rates until 2003.</p> <p>7/97: Restructuring legislation, AB 366, enacted. The law directs the PUC of NV (formally the PSC) to establish a market in which customers have access to potentially competitive electric services from alternative suppliers no later than December 31, 1999.</p>
Investigative Studies	<p>12/98: The PUC ordered working groups to investigate issues of retail competition. Reports on meter data exchange and stranded costs are due in June 1999.</p> <p>3/98: The PUC issued a draft report on the unbundling of services and costs.</p>
Links to Tables on Restructuring Issues	<p>[<a href="#">Retail Access</a>] [<a href="#">Stranded Costs</a>] [<a href="#">Public Benefits Programs</a>]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[<a href="#">Nevada Public Utilities Commission</a>] [<a href="#">PUC restructuring page</a>]  <a href="#">Nevada Power</a>] [<a href="#">Sierra Pacific</a>]</p>
<b>New Hampshire</b>	
Regulatory Orders	<p>1/01: The NH Supreme Court upheld the PSNH restructuring plan, clearing the way for competition to begin for the majority of consumers in New Hampshire. The PSNH plans to implement retail choice by April 2001. The plan calls for a 10-percent rate reduction; standard offer rates between 4.4 and 4.6 cents per kWh, increasing gradually over a three-year transition period; and divestiture generation assests, including PSNH's interest in Seabrook nuclear and about 1,200 MW in fossil and hydro plants.</p> <p>12/00: Granite State Electric Company was granted permission to increase rates by the PUC due to the rising costs for natural gas and petroleum. The rate will rise from 3.8 cents/kWh to 5.6 cents/kWh, an average of 18.4 percent on a customer's bill.</p> <p>10/00: Lawsuits filed by consumer groups challenged the new PSNH restructuring settlement concerning stranded costs recovery as unconstitutional. Competition was scheduled to begin on January 1, 2001, with an accompanying rate reduction of about 10.5%, but likely will be delayed again.</p> <p>09/00: The New Hampshire Public Utilities Commission (PUC) approved a settlement that resolves a three-year long dispute over the restructuring of utility Public Service of New Hampshire (PSNH). The settlement, which was signed into law in June 2000, calls for the utility's residential</p>

customers to receive a 5% rate reduction on 10/01/2000. The full rate reduction will total 15.5% and will happen when "Competition Day" occurs. The actual start of competition, or Competition Day, is dependent on how soon financing of the rate reduction is completed, as well as possible legal challenges to the NHPUC orders by other parties. Residential rates will be capped for nearly three years, and businesses' rates for nearly 2 years. PSNH can now begin refinancing \$800 million in debt to be paid off over 12 to 14 years. PSNH will divest its generation assets by July 2001, and operate as a transmission and distribution utility, regulated by the State.

6/00: The New Hampshire Electric Cooperative voted to set their own rates and approve financing without oversight of the PUC. The PUC will continue oversight of contracts between the cooperative and outside suppliers, IPPs, and municipal utilities as well as continuing oversight of deregulation activities and the service territory.

8/99: The PSNH filed an agreement with the PUC that could end the litigation that is blocking competition in PSNH territory. Under the agreement, PSNH would be allowed to recover \$1.9 billion in stranded costs, and allow the issuance of \$725 million in bonds to finance part of these costs (a process known as securitization). The governor supports the agreement, and stated that "If approved by the PUC and legislature, this agreement will reduce electric rates about 18% for families and businesses, open the door for electric competition, and end the costly litigation brought by PSNH that has blocked competition and lower rates for the past two years."

4/99: Restructuring in NH is at a standstill due to Federal court rulings concerning the PUC's efforts to set stranded costs and rates for PSNH. The continuing Federal court cases will further delay restructuring efforts in the State.

6/98: US District Court issued an order enjoining the PUC from implementing any restructuring plans until the court holds trial for the suit filed by PSNH, scheduled for November 1998.

3/97: PSNH filed a complaint in Federal District Court requesting a stay against the PUC's stranded cost recovery plan, claiming the PSNH would be forced into bankruptcy. The stay was issued, halting implementation of the restructuring plan as it applied to PSNH. The stay was extended until a trial is completed, which is expected to begin in February 1999.

2/97: The PUC issued a final plan and legal analysis for restructuring the electric power industry in NH. Among the issues addressed by the plan are market structure, unbundling electric services, stranded costs, and public policy issues such as universal service, renewable energy, and customer protections.

<p>Legislation</p>	<p>6/00: Legislation was passed and signed into law that will resolve the lengthy dispute that has delayed retail competition in the PSNH area. SB 472 authorizes refinancing of \$800 million of PSNH debt to be paid off over 12 to 14 years. PSNH will reduce rates by an average 15.5 percent for businesses and 17 percent for residential consumers. Residential rates will be capped for nearly three years, and businesses' rates for nearly 2 years. PSNH will divest its generation assets by July 2001, and operate as a transmission and distribution utility, regulated by the State.</p> <p>6/98: A net metering law was enacted to allow customers with 25kW or less renewable generation to utilize net metering.</p> <p>5/96: HB 1392 was enacted, requiring the PUC to implement retail choice for all customers of electric utilities under its jurisdiction by 1/1/98 or at the earliest date which the Commission determines to be in the public interest, but not later than 7/1/98.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[<a href="#">Retail Access</a>] [<a href="#">Stranded Costs</a>] [<a href="#">Public Benefits Programs</a>] [<a href="#">Pilot Programs</a>]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">New Hampshire Public Utility Commission</a>] [<a href="#">New Hampshire restructuring legislation</a>] [<a href="#">NEES</a>] [<a href="#">Public Service of New Hampshire</a>] [<a href="#">Granite State</a>] [<a href="#">Concord Electric Company</a>] [<a href="#">Exeter &amp; Hampton Electric Co</a>]</p>
<p><b>New Jersey</b></p>	
<p>Regulatory Orders</p>	<p>12/00: The NJ Supreme Court upheld a decision upholding the New Jersey Board of Public Utilities restructuring and securitization orders for PSE&amp;G. This decision will allow PSE&amp;G to go forward with its implementing restructuring according to the orders issued by the BPU. Customers will receive an additional 2% rate reduction and securitization bonds will be sold, amounting to \$2.5 billion, the proceeds which will retire outstanding debt and/or equity.</p> <p>7/99: The BPU reached a final settlement agreement with Conectiv. The final plan sets a schedule for rate reductions, determines stranded costs recovery and shopping credits, and sets retail access implementation by November of 1999.</p> <p>6/99: The BPU reached a settlement agreement with GPU for restructuring. The settlement includes rate reductions, increased shopping credits, and reduced the amount of stranded costs GPU will be allowed to recover.</p> <p>3/99: New Jersey plans to launch its consumer education for electricity restructuring and retail choice program on 6/1/99.</p> <p>5/98: BPU announced a 6-month delay in its plan to offer retail competition. Phase-in of retail competition should now begin by April</p>

	<p>1999.</p> <p>4/97: The BPU issued an order adopting and releasing its final report for the Energy Master Plan. The revised plan accelerates the time line for retail competition to begin: phase-in should begin with 10% by 10/98, 35% by 4/99, 50% by 10/99, 75% by 4/00, and all by 7/00.</p> <p>1/97: The Board of Public Utilities issued an order releasing its Energy Master Plan for public comment. The proposal calls for a phase-in of retail choice that would give all NJ residents and businesses the option of choosing their electricity supplier by 4/01.</p>
<p>Legislation</p>	<p>2/99: Legislation (A 10/S 5) to restructure the electric power industry in New Jersey was enacted. The law allows all consumers to shop for their electric supplier by August 1999; reduces current rates by 5%, and over the next 3 years, by 10%; and allows recovery of utilities' stranded costs through a wires charge paid by consumers.</p> <p>1/99: The bill was delayed until at least January 25 over the issue of municipal aggregation.</p> <p>12/98: Voting on restructuring legislation was delayed until January. The bill will allow retail competition by August 1999, a 10% rate reduction, and stranded cost recovery through securitization; the bill does not require divestiture of generation assets, but GPU and Orange and Rockland have already announced the sale of generation assets.</p> <p>11/98: The governor is urging state lawmakers to send forward a restructuring bill by the end of the year with an effective date of 6/1/99. Lawmakers are reviewing the bills and conducting meetings with utility executives, consumer groups, and environmentalists.</p> <p>9/98: Restructuring legislation, "Electric Discount and Energy Competition Act," was introduced in the Assembly, A-10, and the Senate, S-5. If passed the bill will begin a 4-month phase-in for customer choice by 6/99; open metering and billing to competition after one year; implement rate reductions of 5-10% within 4 months; unbundle rates; require disclosure of emissions and fuel mix; and give the BPU authority to determine the amount of stranded costs and recovery mechanisms, including securitization. The bill does not require divestiture of power supply assets, but would give the BPU authority to order divestiture to alleviate market power. Hearings on the issues of electric power industry restructuring are being held in the Senate. The governor of NJ and the investor-owned utilities in the state support the legislation.</p> <p>7/98: The legislative session ended in June without passage of restructuring legislation. Details on issues with retail competition are still being worked on by the committee and the BPU. Competition, originally scheduled to begin 10/98, will likely be delayed until the spring.</p>

	<p>7/97: AB 2825, a tax reform bill, was enacted. The law abolished the gross receipts and franchise tax on sales of electricity and replaces it with a corporate business tax paid by the utilities and a 6% sales and use tax paid by the customers on energy use. The new tax system will create tax equity between utility companies and potential competitors in a deregulated market.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[<a href="#">Retail Access</a>] [<a href="#">Stranded Costs</a>] [<a href="#">Public Benefits Programs</a>] [<a href="#">Pilot Programs</a>]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">New Jersey Board of Public Utilities</a>] [<a href="#">New Jersey Legislature</a>] [<a href="#">Public Service Electric &amp; Gas</a>] [<a href="#">GPU -Jersey Central Power &amp; Light restructuring page</a>] [<a href="#">Conectiv</a>]</p>
<p><b>New Mexico</b></p>	
<p>Regulatory Orders</p>	<p>8/00: New Mexico's Attorney General, the New Mexico Industrial Energy Consumers, and the New Mexico Rural Electric Cooperative Association have asked the PRC to postpone a pending decision to authorize the state's IOUs to begin unbundling their operations. The groups are concerned about the recent price spikes and supply problems in California and feel that delaying the decision would allow them time to revisit restructuring issues before the state legislature convenes again in January 2001.</p> <p>5/00: The PRC ruled that the schools', small businesses', and residential consumers' retail access date is delayed one year to January 1, 2002. The delay provides utilities additional time to prepare their customer information and billing systems to accomodate customer choice.</p> <p>4/00: New Mexico IOUs requested the PRC to delay the beginning of competition for a year, claiming they are unprepared to implement new billing and computer systems.</p> <p>3/99: The State Supreme Court ruled that the PUC exceeded its authority when it ordered the Public Service of New Mexico to open its power lines to a competitor. The competitor plans to ask the court to address the matter again.</p> <p>2/98: New Mexico Public Regulation Commission (PRC) submitted legislative language to the legislature and Governor that would give PUC authority to resolve deregulation issues. The PUC is pushing for retail</p>
	<p>competition; legislation will likely be introduced in the 1999 legislative session.</p>

<p>Legislation</p>	<p>5/01: Legislation, SB 266, was enacted that delays opening the retail electricity market to competition. Customer choice for residential customers, originally scheduled for 2002, is delayed until January 2007, and for nonresidential customers until July 2008. Other measures of the law will delay Public Service of New Mexico's unbundling of its distribution from its generation and marketing businesses and will allow the utility to proceed with plans to build new generation and form a holding company.</p> <p>4/99: The Electric Utility Restructuring Act of 1999 (SB 428) was enacted on April 8, 1999. The law will open the state's electric power market to consumer choice beginning in 2001, when residential and small consumers will have retail access. All other consumers will have retail access by January 2002. The law splits the responsibility for stranded costs between consumers and stockholders, allowing utilities to recover at least 50% of stranded costs through charges to consumers over a five year period.</p> <p>1/99: A draft bill to restructure the electric power industry was developed by the interim committee and is planned to be submitted to the legislature in the 60-day 1999 session.</p> <p>5/98: Restructuring legislation was introduced in January and strongly supported by the PUC. However, the legislation was tabled until next year. The legislation would have set the date for retail competition to begin January 1, 2001.</p>
<p>Investigative Studies</p>	<p>1/98: The PSC issued its restructuring report to the legislature. The report calls for full retail competition by 1/01 and for legislative adoption of rules by 7/99. The report also states that \$60 million/year could be saved.</p>
<p>Links to Tables on Restructuring Issues</p>	<p><a href="#">[Retail Access]</a>   <a href="#">[Pilot Programs]</a></p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p><a href="#">[New Mexico Public Regulation Commission]</a>   <a href="#">[New Mexico Legislature]</a>   <a href="#">[New Mexico restructuring legislation]</a>   <a href="#">[Public Service of New Mexico]</a>   <a href="#">[Texas-New Mexico Power]</a></p>
<p><b>New York</b></p>	
<p>Regulatory Orders</p>	<p>6/01: The New York Public Service Commission approved standards governing the electronic exchange of routine business information and data among electricity and natural gas service providers in New York. The PSC also issued an order to establish uniform retail access billing and payment processing practices that will facilitate a single bill option for customers who buy power and/or natural gas from ESCOs. These orders are designed to facilitate retail energy competition in New York and provide for efficient single-billing options for all New York electricity and natural gas customers.</p>

	<p>3/01: The PSC approved rules for customers in New York State Electric &amp; Gas territory to receive a credit for switching to a competitive electricity supplier. The old "shopping credit" was set, at 3.71 cents per kilowatthour, below market prices. Competitors could not beat the that price with market prices consistently being higher. The new "shopping credit" will be tied to the going market price plus a small amount for administrative costs, making it easier for competitors to deal with wholesale prices that fluctuate seasonally. The market-based shopping credit is expected to entice more customers to switch suppliers.</p> <p>11/98: The PSC ordered utilities, beginning in 4/00, to inform customers of the sources of their electricity and their amount of environmentally "clean" power.</p> <p>6/98: PSC set rules for a Systems Benefit Charge to fund R&amp;D related to energy service, storage, generation, the environment, and renewables; pilot programs for energy management for low-income consumers; and environmental protection.</p> <p>1997 to 1998: The PSC approved restructuring orders for six utilities in the State (see utility plans in the "retail access" table).</p> <p>5/96: The PSC issued its decision to restructure NY's electric power industry. The Competitive Opportunities Case adopted the goal of having a competitive wholesale market by 1997, and a competitive retail market by early 1998. Electric utilities are required to submit restructuring plans by 10/96. It also states that utilities should have a reasonable opportunity to recover stranded costs consistent with the goals of restructuring.</p>
<p>Legislation</p>	<p>1/99: Senator Tonko plans to introduce restructuring legislation in 1999.</p> <p>1/99: The governor withdrew a tax break for customers who chose an alternative generation supplier, resulting in a 4% increase in rates for customers who are "choosing".</p> <p>2/98: A bill, A.7942 - D, was introduced by Senator Tonko to provide an alternative deregulation plan to the PSC, saying the current PSC plan does not go far enough to protect consumers. The bill calls for competition in electric generation no later than 3/1/00 for all consumers, including municipal systems and 10% rate cuts by September 1998.</p>
<p>Investigative Studies</p>	<p>12/00: The New York Public Service Commission staff released a report recommending modifications in the operation of the New York Independent System Operator. The report recommends a hard cap of \$150/MWh and the power to order retroactive refunds. FERC must approve these recommendations before they become an order.</p> <p>2/99: A briefing paper was issued from the NY General Assembly that criticizes the piecemeal PSC process of restructuring. It lists five criteria</p>

	<p>that the PSC plan has failed on in restructuring the industry.</p> <p>2/99: The PSC ordered utilities to submit monthly reports in 1999, and quarterly reports thereafter, to monitor competition. The reports will contain the number of consumers eligible to participate, the number of kWh eligible for retail access, the number of consumers per ESCO in the utility's operating territory, and the number of kWh provided by each ESCO.</p>
Links to Tables on Restructuring Issues	<p><a href="#">[Retail Access]</a> <a href="#">[Stranded Costs]</a> <a href="#">[Public Benefits Programs]</a> <a href="#">[Pilot Programs]</a> <a href="#">[Additional Information]</a></p>
Links to State Regulatory Commissions and Major Utilities	<p><a href="#">[New York State Public Service Commission]</a> <a href="#">[PSC restructuring page]</a>  <a href="#">[Consolidated Edison]</a> <a href="#">[New York State Electric &amp; Gas]</a> <a href="#">[Niagara Mohawk]</a> <a href="#">[Orange and Rockland]</a> <a href="#">[Central Hudson]</a> <a href="#">[LIPA]</a>  <a href="#">[Rochester Gas &amp; Electric]</a></p>
<b>North Carolina</b>	
Regulatory Orders	<p>9/97: PUC reopened electric restructuring Docket concerning emerging issues in the electric industry</p>
Legislation	<p>1/01: The legislation study panel has decided more study of restructuring issues is needed before recommending to the legislature to open the state to competition by 2005, as previously recommended. The studies will focus on consumer protections and ways to encourage power plant construction in the State.</p> <p>4/00: The Study Commission issued its final report with recommendations to open retail electricity markets to half of consumers by January 2005, and the other half by January 2006. The study also recommends a rate freeze until January 2005 to allow utilities to pay down stranded costs and implementation of a public benefit fund for low-income, renewable energy, and energy efficiency programs. The issue of municipals' stranded costs was not addressed. Legislators will review the Study Commission's recommendations in the 2000 short session, and consider enacting restructuring legislation in the longer 2001 session.</p> <p>11/98: The Study Commission will not meet its January due date for its report. Accordingly, restructuring legislation will likely not be considered in 1999. However, one state legislator may introduce a restructuring bill in 1999, previously introduced as the 1997 Customer Choice in Electricity Act. The Study Commission will present a report to the short legislative session in 2000.</p> <p>8/98: At a "Mayor's Day" event, mayors and city officials urged the legislature to pass restructuring legislation to prevent large industrials from relocating and thus protect the economies of NC cities and the State.</p> <p>11/97: The Study Commission commenced its work to investigate</p>

	<p>restructuring in NC and determine whether legislation is needed. Reports are due to the General Assembly in 1998 and 1999.</p> <p>4/97: SB 38 established a 23-member commission on restructuring. A report is due by 1999 to the legislature.</p>
<p>Investigative Studies</p>	<p>12/00: The North Carolina Public Utilities Commission (PUC) staff recommended a limited deregulation plan to a legislative panel. The legislative panel has been working for two years and is scheduled to present recommendations on restructuring to the General Assembly by January 2001. In light of California's market dysfunction, the PUC recommends that restructuring in NC proceed slowly and with caution. Also, a representative for Electricities, which collectively have \$5.5 billion in debt and are concerned about their ability for repayment under restructuring, recommended to the legislative panel that no restructuring take place until the PUC can demonstrate that there will be a benefit for NC consumers.</p> <p>09/00: The Study Commission on the Future of Electric Service in North Carolina wants to draft a model restructuring bill to submit to state legislators when the next General Assembly session starts in January 2001. At a recent commission meeting, several panel members suggested that the commission look into this summer's price spikes in California before proceeding. An October meeting is scheduled. 7/00: <u>The Study Commission on the Future of Electric Service in North Carolina</u> announced intentions to hold a series of meetings and public hearings on deregulation in cities around the State. The issue of municipal debt must be resolved before legislation can be drafted for the 2001 legislative session.</p> <p>4/00: The Panel set up to study restructuring in NC issued its report to the General Assembly. The report recommends retail choice for half of NC consumers begin 1/1/05, and the rest by 1/1/06. The State PUC would set the rules for implementing restructuring. The issue of NC's indebted municipal systems was left unanswered. The report also recommends recovery of stranded costs for the IOU's, a consumer education requirement, and a choice for "green" energy or a standard portfolio requirement for electricity suppliers.</p> <p>3/99: Research Triangle Institute issued a final report to the NC PUC as part of its ongoing investigation into electric power industry restructuring. The RTI reports contain recommendations for a restructured electric industry including: potential distribution reliability problems, forming a regional transmission group, certification of all electricity suppliers, and consumer safeguards. The final report on stranded costs analyzes 4 options for ensuring fairness to the consumers and the utilities, especially the municipals. Municipals in NC have a total bond debt of approximately \$5.8 billion, much of it in relatively expensive nuclear generation.</p> <p>7/98: Research Triangle Institute produced a report for the General</p>

	<p>Assembly Study Commission on the Future of Electric Service in NC that summarizes the rate disparity between publicly owned and private utilities in NC. The report recommends the Legislature pass deregulation legislation in 1999.</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">North Carolina Utilities Commission</a>] [<a href="#">North Carolina General Assembly</a>] [<a href="#">Carolina Power &amp; Light Company</a>] [<a href="#">Duke Power</a>] [<a href="#">North Carolina Power</a>] [<a href="#">ElectriCities</a>]</p>
<p><b>North Dakota</b></p>	
<p>Legislation</p>	<p>No restructuring legislation was introduced in 1999, and the legislature next meets in 2001 (meets every other year).</p> <p>2/98: ND Electric Utilities Committee met and discussed tax implications of restructuring and electric rates of investor-owned and cooperative utilities.</p> <p>7/97: First meeting of Electric Utilities Committee. Final report is due 11/98.</p> <p>3/97: HB 1237 enacted to create Joint Legislative Study Committee on Restructuring. Committee work should be completed by 2003.</p>
<p>Investigative Studies</p>	<p>11/98: The Electric Utilities Committee submitted its report to the legislature. The report states that restructuring efforts shouldn't proceed until potential tax issues are considered.</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">North Dakota Legislative Council</a>] [<a href="#">North Dakota Public Service Commission</a>] [<a href="#">Northern States Power</a>] [<a href="#">Otter Tail Power</a>]</p>
<p><b>Ohio</b></p>	
<p>Regulatory Orders</p>	<p>10/00: Allegheny Energy's (parent of Monongahela Power) restructuring plan was approved by the PUC. Competition and a 5% residential rate reduction begins January 1, 2001. Rates will be frozen through the development period, which is 2003 for large industrial consumers and 2005 for residential consumers.</p> <p>10/00: American Electric Power's (parent company for Ohio Power and Columbus Southern Power) restructuring plan was approved by the PUC. Retail competition begins January 1, 2001, with residential consumers receiving a 5% rate reduction. More than \$600 million in transition costs will be collected through 2007 (for Ohio Power) and 2008 (for Columbus Southern Power). Certain residential customers will have transition charges waived. Also, rates will be frozen through the development period or 2005, whichever comes first. Shopping credits, incentives and switching procedures will be provided, and AEP agreed to absorb \$40 million of customer education, customer choice implementation, and</p>

transition plan filing costs.

10/00: Dayton Power and Light's (DP&L) transition plan to begin retail competition for all customers by January 2001 was approved by the PUC. Under the agreement, DP&L generation rates will be capped until the end of the recovery period when transition costs are fully recovered, December 31, 2003. Transmission and distribution rates will be capped through the end of 2006. The plan includes a 5% residential rate reduction to the generation portion for customers who remain with DP&L, beginning January 1, 2001. Additionally, DP&L will pay up to \$1 million for a voluntary enrollment procedure if at least 20% of its customers have not chosen another supplier by September 30, 2003.

09/00: The Public Utilities Commission of Ohio (PUCO) approved the Cincinnati Gas & Electric (CG&E) restructuring plan. Retail electric choice will be offered beginning January 1, 2001. The price of electricity will be unbundled into its components (generation, transmission, distribution), and a rate cap will be in effect for five years for all residential customers. Additionally, residential customers who stay with their current supplier will receive a 5% rate reduction in the generation portion of their bill.

7/00: First Energy's (Ohio Edison, Toledo Edison, and The Illuminating Company) restructuring plan was approved by the PUC. The plan calls for recovery of transition costs through 2006 for Ohio Edison, mid-2007 for Toledo Edison, and 2008 for Illuminating Company. Competition will begin January 1, 2001, and residential consumers will receive a 5% rate reduction on the generation portion. Distribution rates will be frozen through 2007.

1/00: AEP (Ohio Power and Columbus Southern Power) filed its transition plan with the PUCO. The plan includes requested recovery of \$974 million in regulatory assets.

1/00: Monongahela Power filed its transition plan with the PUCO. Included is a request for \$13 million in stranded cost recovery.

1/00: Cincinnati Gas & Electric filed its transition plan with the PUCO. The plan includes: 5% residential rate reduction in the generation portion of rates, effective January 2001; rate unbundling into the generation, transmission, distribution, and transition costs components; recovery of \$927 million in transition and stranded costs; corporate separation of regulated and unregulated functions; participation in the MidWest ISO; and a consumer education plan. The PUCO is to rule on the plan before Oct. 31, 2000.

1/00: Dayton Power & Light filed its transition plan with the PUCO. The plan includes a 5% residential rate reduction for generation; a cap on all prices through December 31, 2004; customer choice by January 1, 2001;

	<p>recovery of \$441 million in transition costs; and a consumer education program. The PUCO will issue comments and recommendations to the plan within 90 days, a final order within 275 days.</p> <p>1/00: First Energy (Ohio Edison, The Illuminating Company, Toledo Edison) refiled a transition plan with the PUCO to conform with the new rules established to comply with Ohio's restructuring law. The plan includes: requested recovery of \$7 billion for transition and stranded costs; operational and technical support changes to allow for retail direct access by January 1, 2001; plans to transfer control of transmission assets to the Alliance RTO; unbundled prices; corporate separation of regulated and unregulated business; and an education program for consumers.</p> <p>10/99: The PUC issued an initial set of rules for transition to a competitive retail market. The draft rules include provisions for recovery of stranded costs, corporate unbundling, consumer education, and employee protections.</p>
Legislation	<p>7/99: The restructuring legislation, SB 3, was signed into law by the governor on July 6, 1999. The legislation will allow retail customers to choose their energy suppliers beginning January 1, 2001. The new law requires 5% residential rate reductions and a rate freeze for 5 years, contains consumer protections, environmental provisions, and labor protections, and empowers the PUC to determine the amount and recovery period for stranded costs. Also, the property tax utilities paid in the past is replaced with an excise tax on consumer bills. Utilities are required to spend \$30 million over the next six years on consumer education programs.</p>
Links to Tables on Restructuring Issues	<p><a href="#">[Retail Access]</a> <a href="#">[Stranded Costs]</a> <a href="#">[Public Benefits Programs]</a> <a href="#">[Pilot Programs]</a> <a href="#">[Additional Information]</a></p>
Links to State Regulatory Commissions and Major Utilities	<p><a href="#">[Public Utilities Commission of Ohio]</a> <a href="#">[PUC restructuring page]</a>  <a href="#">[Ohio General Assembly]</a> <a href="#">[Ohio Edison]</a> <a href="#">[Toledo Edison]</a> <a href="#">[The Illuminating Co]</a> <a href="#">[AEP]</a> <a href="#">[Dayton Power &amp; Light]</a> <a href="#">[Cinergy]</a></p>
<b>Oklahoma</b>	
Regulatory Orders	<p>7/99: Oklahoma Gas &amp; Electric Energy Services filed a plan with the OCC for new rate reductions totaling \$58.9 million through 7/1/02, establishing a performance based incentive plan, and eliminating the fuel adjustment clause. These decreases, in addition to those already scheduled to take effect in 2000, are intended to help prepare the utility for competition. If the performance goals aren't met, the company would pay the price; if they are exceeded, the stockholders would receive the benefits of the savings. This is the first performance-based ratemaking plan filed in Oklahoma.</p> <p>2/98: The OCC issued final rules for unbundling. The rules now go to the legislature and governor for review.</p>

	<p>4/97: The Oklahoma Corporation Commission (OCC) is directed by SB 500 to undertake a study of all relevant issues relating to restructuring the electric utility industry and to develop a framework for the restructuring. Four reports: ISO Issues, Technical Issues, Financial Issues, and Consumer Issues are due 2/98, 12/98, 12/99, and 8/2000, respectively.</p>
<p>Legislation</p>	<p>6/01: The Governor signed SB 440. The bill establishes a 9-member task force to further study the effects of deregulation. Retail competition will not be implemented until after the task force issues its final report at the end of 2002, and the legislature enacts enabling restructuring legislation.</p> <p>3/01: Several bills have been introduced that would delay opening the retail electricity market to customer choice. One bill would create a task force to review previous work on restructuring in Oklahoma as well as study the experiences in other States that have restructured. This bill would require a report to the legislature by November 2002, prior to allowing open access for retail customers; thus, it would effectively delay customer choice in the State.</p> <p>3/01: The Oklahoma House Energy and Utility Regulation Committee approved HB 1922, a bill that would delay retail competition and deregulation, set to take effect in January 2002, to January 2004. The delay would allow time for the State Corporation Commission to participate in formulating the State's deregulation plan through membership in the Joint Electric Utility Task Force. During the transition period the OCC would continue to hold rate hearings, but would not issue orders or rulings on deregulation.</p> <p>09/00: An electric restructuring symposium, sponsored by the Oklahoma Industrial Energy Consumers, was held to discuss restructuring in other states in anticipation of developing a similar plan for Oklahoma. An earlier attempt at restructuring failed when the House of Representatives narrowly rejected SB 220. A similar bill is expected to be introduced during the 2001 legislative session, which begins in February.</p> <p>6/00: Efforts to pass legislation containing implementation guidelines to restructure Oklahoma's electric power industry, set to begin July 1, 2002, by earlier legislation, ended with the closing of the 2000 legislative session. The Electric Deregulation Task Force remains in operation until January 1, 2003, and will continue working toward deregulation, presumably addressing new legislation in the 2001 session.</p> <p>4/00: HB 2541 was passed by the Senate Energy, Environmental Resources and Regulatory Affairs Committee and is ready for consideration by the full Senate. The bill was passed by the House last month. A similar bill, SB 220, passed by the Senate is ready for full consideration by the House. A compromise bill will likely emerge for passage before the session ends in late May. These bills establish rules for implementing retail competition required by restructuring legislation</p>

	<p>passed in 1997 and 1998 (SB 500 and SB 888).</p> <p>3/00: The Senate passed legislation dealing with the details of how to implement retail competition in the state's electric power industry, as required in SB 500, passed in June 1998. Retail choice is set to begin by July 2002 in the State. The bill has yet to be approved by the House.</p> <p>10/98: The Joint Electricity Task Force began meeting to discuss deregulating the state's electric utilities. Issues studied will include customer choice, reliability, unbundling, and tax impacts. The studies are to be completed by 10/99.</p> <p>6/98: SB 888 was enacted. The bill will speed up the time line for restructuring the industry. Currently, under SB 500, studies and recommendations for restructuring should be completed by the OCC by 2000. This new legislation requires that all studies be completed by 10/99, and allows some retail competition to begin as early as 1999.</p> <p>4/97: SB 500, the Electric Restructuring Act of 1997, is enacted allowing retail competition by 7/2002. The OCC is directed to study the issues and develop a framework to implement retail competition.</p>
Investigative Studies	<a href="#">[OCC Reports on Restructuring]</a>
Links to Tables on Restructuring Issues	<a href="#">[Retail Access]</a> <a href="#">[Stranded Costs]</a>
Links to State Regulatory Commissions and Major Utilities	<a href="#">[Oklahoma Corporation Commission]</a> <a href="#">[OCC restructuring page]</a> <a href="#">[SB 500 and SB 888]</a> <a href="#">[Public Service Co of Oklahoma]</a> <a href="#">[Oklahoma Gas &amp; Electric]</a>
<b>Oregon</b>	
Regulatory Orders	<p>09/00 - The Oregon Public Utilities Commission (PUC) has passed the first set of rules governing electricity restructuring in Oregon. Beginning October 1, 2001, large commercial and industrial customers will have the opportunity to choose alternative suppliers. Small commercial and residential customers will continue to be regulated. Electric utilities are required to file resource plans by November 1, 2000. The plans must identify what aspects of their businesses will remain regulated to serve residential and small commercial customers.</p> <p>8/00: The Oregon PUC has scheduled a public meeting to discuss AR 380, a Draft Order of rules to implement provisions of SB 1149, the State's restructuring bill. Public comment hearings were held in several locations around the state in April, and AR 380 was issued in early August.</p> <p>8/00: The Oregon PUC has scheduled a meeting to discuss recent price spikes in the wholesale electricity market in the State. Commission</p>

	<p>officials and officials from the Oregon Office of Energy will discuss reasons for the increased prices, what steps should be taken to prevent further spikes, and what implications, if any, the situation will have on implementing Senate Bill 1149, Oregon's restructuring bill.</p>
<p>Legislation</p>	<p>8/01: Legislation, HB 3633, was enacted to revise Oregon's restructuring law. Act 3633 delays the date for implementing retail access for large customers from October 2001 to March 2002. Most other provisions of Oregon's plans for restructuring are also delayed 6 months to March 2002, including offering a portfolio of rate options to residential customers, the collection of public purpose funds, and the requirement for utilities to unbundle the costs of generation, transmission, distribution, ancillary services, customer services, public purpose programs, and taxes. An exception was made to allow collection of funds for low-income assistance programs, which may begin in October 2001.</p> <p>8/01: HB 3502 was enacted. The legislation amends the power of the Public Utility Commission to not only obtain fair and reasonable rates, but also to balance the interests of the utility investor and the consumer in establishing fair and reasonable rates. Fair and reasonable rates are defined as those that provide adequate revenue for both operating expenses and capital costs, with a return to the equity holder that is commensurate with the return on investment in other enterprises of similar risk and sufficient to ensure confidence in the utility's financial integrity.</p> <p>8/99: Also passed in the restructuring legislation this year: a provision that allows the governor to to appoint the chair of the PUC and remove commissioners for cause, and a net metering law for customer-installed generators less than 25kW (and limited customer generators to one half of one percent of the utility's single-hour peak).</p> <p>7/99: The restructuring bill, S.B. 1149, was passed and the governor was expected to sign it. The bill is somewhat different from the other States that have passed restructuring legislation in that residential consumers will not have retail access, but will be offered a choice of pricing plans by the utilities and regulated by the PUC (see 6/99 entry below). The bill allows the PUC to suspend restructuring if it jeopardizes access to low-cost power from BPA, and it allows municipalities to choose whether or not to participate.</p> <p>6/99: The House is debating the bill passed earlier by the Senate. The bill would impose a 3% public benefits charge for energy conservation and low-income programs on consumers. Residential consumers would be offered a portfolio of options, including market-based prices, rate-regulated prices, and green prices for energy, while businesses and industrials will have retail access beginning 10/1/01. The PUC is given authority to determine stranded costs. The bill would effect consumers of IOU's in the State (Pacifcorp and Portland General Electric).</p>

	<p>4/99: The Senate Committee passed a deregulation bill that would give residential consumers a portfolio of choices in electric power plans and allow businesses access to competitive suppliers.</p> <p>8/97: Restructuring bill failed to pass 1997 session; expected to be reintroduced for 1999 session.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[<a href="#">Retail Access</a>] [<a href="#">Public Benefits Programs</a>] [<a href="#">Pilot Programs</a>]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">Oregon Public Utility Commission</a>] [<a href="#">PacifiCorp</a>] [<a href="#">PacifiCorp's program in Oregon</a>] [<a href="#">Portland General Electric</a>] [<a href="#">Portland General Electric's program in Oregon</a>]</p>
<p><b>Pennsylvania</b></p>	
<p>Regulatory Orders</p>	<p>8/01: The PUC approved a settlement with GPU, Inc. and First Energy Corp (a merger between the two utilities is pending) that preserves customer rate caps, encourages customer participation in choosing alternative generation suppliers, increases support for renewable energy and conservation programs, and enables GPU to defer its wholesale power losses through 2005. Distribution rate caps were extended for 3 years to 2005. Total generation rates, including shopping credits and competitive transition charges, continue at the same levels through 2010 as established by GPU's restructuring settlement. Shopping credits will rise with a corresponding decrease in the competitive transition charge, which will enable customers more opportunity to find alternative suppliers for generation. The settlement also commits \$15 million to renewable and sustainable energy development. And finally, through the establishment of a deferral mechanism that allows GPU to carry its wholesale power losses in a deferred account through 2010, the settlement addresses GPU's current financial concerns and enables it to continue meeting its obligations to purchase wholesale power for its customers.</p> <p>7/01: The Pennsylvania Office of Consumer Advocate posted its <a href="#">Electric Shopping Statistics</a> for July 1, 2001. 591,596 customers are currently participating in electricity open markets, while in April 2001, 787, 846 customers were participating. About half of the remaining customers participating in the competitive market are former PECO customers that are buying power at below-market cost as part of the state's discount power program designed to encourage switching to alternative generation suppliers. With rising wholesale prices, industrial and commercial customers are tending toward returning to their traditional electric utility.</p> <p>1/01: As required under PECO's restructuring plan, 300,000 residential customers that had not chosen a competitive supplier were randomly chosen and switched to The New Power Company, which was chosen by PECO to provide "Competitive Discount Service" from March 2001 through January 2004. Customers may opt out of the program or choose</p>

	<p>another electricity supplier without penalty.</p> <p>1/01: The PSC deferred the decision on GPU's rate increase request for recovery of wholesale power costs until May, when it will be heard with GPU's merger request (with First Energy). GPU claims projected losses in 2001 could exceed \$145 million due to the rising costs of purchasing wholesale power. GPU voluntarily divested its generation assets, has not entered into long-term contracts for power, and must buy power on the wholesale market at increasing prices to serve its customer load.</p> <p>12/00: GPU has asked the PSC to defer the losses from its rising costs of wholesale power purchases, due to rising fuel costs, to provide its default customers with power. A number of customers returned to GPU this summer following a rise in market prices. GPU was unable to procure through a 1999 auction, a supplier for 20% of its "provider of last resort" load. PECO, which initially also could not procure default power through an auction, recently was able to negotiate privately with New Power Company to supply part of its default load. NPC will offer discounted power to about 299,000 residential PECO customers until 2004. Customers may opt out and remain with PECO.</p> <p>5/99: The PUC finalized rules for full consumer choice in the retail electricity market. By 9/99, utilities will mail information packages to all consumers that have not chosen a competitive supplier. The packages will contain information about consumer choice, the "price to compare," and a list of competitive suppliers serving their rate class and location.</p> <p>6/98: The PUC began its consumer education program. An Electric Supplier Selection Form will be mailed to all consumers in the state to begin enrollment in the first part of the phase-in of competition, set to begin with 2/3 of consumers in January 1999. Sign-up for retail choice begins 7/1/98. The final third of consumers will begin retail choice on 1/2/00. Most consumers are expected to realize savings of over 10% of what they now pay.</p>
<p>Legislation</p>	<p>3/98: HB 2286, a bill to accelerate retail choice for all consumers by 2 years, to 1/99, was introduced.</p> <p>12/96: HB 1509, the Electricity Generation Customer Choice and Competition Act, was enacted. The law allows consumers to choose among competitive generation suppliers beginning with one third of the State's consumers by 1/99, two thirds by 1/2000, and all consumers by 1/2001. Utilities are required to submit restructuring plans by 9/97.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[<a href="#">Retail Access</a>] <b>new!</b>    [<a href="#">Stranded Costs</a>]    [<a href="#">Public Benefits Programs</a>]                  [<a href="#">Pilot Programs</a>]</p>

<p>Links to State Regulatory Commissions and Major Utilities</p>	<p><a href="#">[Pennsylvania Public Utility Commission]</a> <a href="#">[PA Electric Choice Program]</a> <a href="#">[Pennsylvania restructuring legislation]</a> <a href="#">[Pennsylvania Office of Consumer Advocate]</a> <a href="#">[PECO]</a> <a href="#">[Pennsylvania Power &amp; Light]</a> <a href="#">[Allegheny Power - West Penn]</a> <a href="#">[Duquesne]</a> <a href="#">[GPU - Pennelec/Met-Ed]</a> <a href="#">[Pennsylvania Power Co]</a> <a href="#">[Pennsylvania Rural Electric Association]</a> <a href="#">[Energy Association of Pennsylvania]</a></p>
<p><b>Rhode Island</b></p>	
<p>Regulatory Orders</p>	<p>12/97: The PUC issued an order accepting interim rates and approving retail choice for all RI consumers on January 1, 1998.</p>
<p>Legislation</p>	<p>5/01: The Rhode Island State Senate passed SB 881, an act that would enable non-residential customers enrolled in last resort service the option to return to standard offer service. These customers would be required to sign an agreement for 2 years prohibiting self-generation during non-emergency conditions and remarketing of purchased electricity.</p> <p>8/96: The Rhode Island Utility Restructuring Act of 1996 (HB 8124) was enacted allowing retail choice beginning 7/97 and continuing in phases. In July 1997, Rhode Island became the first state to begin phase-in of statewide retail wheeling (for industrial customers). Residential consumers were guaranteed retail access by 7/98.</p>
<p>Links to Tables on Restructuring Issues</p>	<p><a href="#">[Retail Access]</a> <a href="#">[Stranded Costs]</a></p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p><a href="#">[Rhode Island Public Utilities Commission]</a> <a href="#">[Rhode Island restructuring legislation]</a> <a href="#">[NEES]</a> <a href="#">[Narragansett Electric]</a> <a href="#">[Eastern Utilities - Blackstone Valley/Newport Electric]</a></p>
<p><b>South Carolina</b></p>	
<p>Regulatory Orders</p>	<p>6/98: PSC decided to conduct stranded cost proceedings for the 4 investor-owned utilities in the State, expecting completion by the end of the year.</p> <p>4/98: The PSC requested utilities to calculate their stranded costs under a retail access scenario.</p> <p>2/98: PSC issues Proposed Electric Restructuring Implementation Process as requested by House Speaker. The plan calls for a five-year transition period following passage of legislation to deregulate the electric power industry.</p>

<p>Legislation</p>	<p>3/00: Restructuring legislation, SB 1168, was introduced and referred to the Committee on Judiciary. The bill would allow retail direct access within three years in SC. Debate and discussions continue in both the House and Senate, but few expect passage of a bill this session.</p> <p>5/99: The three restructuring bills and one joint resolution calling for a study of restructuring the electric power industry have not been passed in the current legislative session, 113. The legislature continues to debate and review the bill proposed by Representative Cato.</p> <p>3/99: Restructuring legislation was introduced. The bill calls for competition to be phased-in over 6 years and would allow regulators to determine how much utilities could recover in stranded costs.</p> <p>12/98: A task force was appointed to study deregulation in SC. A report will be issued, but no time frame was announced.</p> <p>11/98: A restructuring bill was prefiled that will create a deregulation task force.</p> <p>5/97: House speaker requested a PSC study and recommendations for restructuring electric industry by 1/98.</p> <p>1997: Legislation (Bills 346 and 3414) to restructure the electric industry and allow retail wheeling were introduced in the House and Senate. The bills would allow retail competition to be phased in beginning 1/98 and going through 1/99. Neither were acted on in the current 2-year legislative session that ended in June 1998.</p>
<p>Investigative Studies</p>	<p>3/00: A report by the Senate Task Force is due to be released soon.</p> <p>10/98: The PSC released a report on deregulation that stated the cost of deregulating the 3 large investor-owned utilities in the state would be about \$1.4 billion. Stranded costs for South Carolina Electric and Gas were estimated to be \$882 million; for Carolina Power &amp; Light, \$410 million; and for Duke Energy, \$81 million.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[<a href="#">Stranded Costs</a>]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">South Carolina Public Service Commission</a>] [<a href="#">Santee Cooper</a>]                  [<a href="#">South Carolina General Assembly</a>] [<a href="#">Carolina Power &amp; Light Company</a>] [<a href="#">Duke Power</a>] [<a href="#">SCANA</a>] [<a href="#">Electric Cooperatives of South Carolina</a>] [<a href="#">Piedmont Municipal Power Agency</a>]</p>
<p><b>South Dakota</b></p>	

Regulatory Orders	6/99: Black Hills Power and Light agreed to freeze its rates for 5 years, until 1/1/05. This continues a 5-year freeze begun in 1995. Rates for power in SD are among the lowest in the Nation, and some studies have indicated retail competition in such low-cost rural areas could cause rates to rise.
Legislation	1/98: The Legislative Research Council is hosting an informational forum on developments in utility competition. This is the first time the State legislature has addressed restructuring of the electric industry. No action is expected. Current law allows retail wheeling for new, large customers.
Investigative Studies	2/99: A study by the University of South Dakota Business Research Bureau commissioned by the rural cooperatives stated that under restructuring, cooperatives would see rates increase.
Links to State Regulatory Commissions and Major Utilities	<a href="#">[South Dakota Public Utilities Commission]</a> <a href="#">[Black Hills Corp]</a> <a href="#">[Northern States Power]</a> <a href="#">[Otter Tail Power]</a> <a href="#">[Northwestern Public Service]</a>
<b>Tennessee</b>	
Legislation	<p>2/99: The Study Commission is continued. Recommendations for restructuring including any proposed legislation in TN must be made by 2/28/01, when the commission ends.</p> <p>6/98: The General Assembly Study Commission is continuing into 1999.</p> <p>6/97: General Assembly created a special joint legislative committee to study electricity deregulation. A report is due October 1998.</p>
Investigative Studies	1/99: The Tennessee Regulatory Authority released a report on deregulation of the industry. The report identifies 10 issues: rates and prices; stranded costs; reliability; market power; universal service; environmental concerns; taxes; local rate setting; consumer education; and regulatory and legal issues.
	5/98: The Department of Energy advisory committee on TVA issued a final report calling for more regulation controls on TVA once national electric deregulation begins. It recommends TVA remain mainly in the "wholesale electric business."
Links to Tables on Restructuring Issues	<a href="#">[Additional Information]</a>
Links to State Regulatory Commissions and Major Utilities	<a href="#">[Tennessee Regulatory Authority]</a> <a href="#">[Tennessee Valley Authority]</a>
<b>Texas new!</b>	

## Regulatory Orders

11/01: Exercising its option to delay retail access in regions where fair competitive service cannot be implemented, the PUC accepted a settlement to delay implementation of retail access in Southeast Texas. Affected are customers of Entergy within the Southeast Regional Reliability Council. The PUC cited a lack of an RTO in the region and the absence of marketing by retail electric service providers as the primary reasons for the decision.

10/01: The TX PUC delayed retail choice in the area covered by the Southwest Power Pool in Texas (panhandle area). The delay will effect customers of Southwest Electric Power Company and a few customers of West Texas Utilities. Reasons cited include the lack of an RTO in that region, no retail electric suppliers, and wholesale electricity markets in the area are not yet competitive.

9/01: Utilities in Texas began the process of auctioning part of their generating capacity. According to SB 7, at least 60 days before competition begins, each generation company affiliated with a former monopoly utility must sell entitlements to at least 15% of its installed generation capacity. The action is designed to increase the pool of available power for new retail suppliers entering the market, prevent market power, and promote competition in electricity markets.

8/01: In some areas of East Texas served by Southwestern Electric Power Co and Entergy Gulf States, the PUC considered delaying the implementation of retail electricity competition beyond the scheduled date of January 2002 when the rest of the State will officially open retail access for all electricity customers. No companies have offered service in these areas during the pilot program currently under way across the State, and subsequently, no customers have requested service by an alternative supplier. However, the two utilities that serve this area are moving forward with plans to participate in the September 5 auction of generating capacity.

7/01: The Texas Supreme Court upheld the March PUC settlement with Central Power and Light (a subsidiary of American Electric Power) to securitize approximately \$764 million in regulatory assets. Securitization, or refinancing of debt, is the mechanism to recover stranded costs as provided by the Texas restructuring law, SB 7, passed in June 1999.

8/01: The official opening of the pilot program in Texas has been delayed twice, from the original date of June 1 to July 6, and now to at least July 31. The schedule for full implementation of retail open access is still set to begin January 2002. Results of the Texas Electric Competition Pilot Program are available on the TX PUC web site.

3/01: A high level of interest in participating in the retail choice pilot program by nonresidential customers is requiring most of the investor-owned utilities to conduct lotteries to choose the allowed 5% of their

customers who will be allowed to choose their electricity supplier. Beginning in June, 5% of each customer class in each of the investor-owned utilities will be allowed to choose their supplier of electricity. The residential participants are being selected on a first-come, first-serve basis.

3/01: The PUC is overseeing the pilot program set to begin retail competition by June 1, 2001. The pilot program will be open to customers in the State's IOU service territories. Enrollment began in February 2001, and if over 5% of customers choose to enroll, a lottery will be held to choose participants.

3/01: The PUC began its consumer education program to promote competition for electricity suppliers. Inserts are being enclosed in bills, and an information website (Texas Electric Choice) and telephone line are now operating.

12/00: The Public Utility Commission of Texas issued a Request for Proposals (RFPs) to select electric service providers to be providers of last resort (POLR). The POLR will serve customers in areas open to competition on January 1, 2002, where the Retail Electric Provider (REP) of choice fails to continue service. The PUC of TX rules provide that POLR's must offer a firm, nondiscountable, seasonally differentiated rate to any of three consumer classes: residential, small nonresidential, and large nonresidential. The POLR service is not supposed to be competitive, innovative or anything other than basic standard service.

10/00: The PUC adopted rules for the provider of last resort for when competition begins in early 2002. The rules will allow for continuity of service if a service provider goes out of business or drops a consumer. The provider of last resort will be required to provide to consumers no longer served by their provider of choice with service at a fixed price. A competitive bidding process will designate the last resort providers for each consumer class. Bidding is expected to be completed by June 1, 2001.

4/00: Utilities filed restructuring plans with the State PUC. The plans incorporate how the utilities will implement retail choice by 2002, a mandated rate reduction of 6% after 1/1/02, and how the utilities will separate their business into generation, retail provider, and delivery divisions.

10/99: Southwestern Public Service Company filed its plan for evaluation of market dominance with the PUC, as required by the legislation passed in June. To alleviate market dominance, SPS plans to transfer ownership or control of 595MW of generating capacity. Some entitlements to power will be auctioned, and some generation assets divested (by 2002).

7/98: The PUC approved TNMP's proposal for retail competition. The

	<p>plan includes provisions for a pilot program and a five-year transition to competition. This voluntary plan has a provision that it would be modified to conform with any restructuring legislation passed.</p> <p>4/98: The PUC is finalizing its plan and recommendations for restructuring and expects to forward it to the legislature within days.</p> <p>8/96: The PUC authorized the ERCOT ISO, to be operational by 7/97.</p>
<p>Legislation</p>	<p>6/99: Restructuring legislation, SB 7, was enacted to restructure the Texas electric industry allowing retail competition. The bill requires retail competition to begin by 1/02. Rates will be frozen for 3 years, and then a 6% reduction will be required for residential and small commercial consumers. This will remain the "price to beat" for five years or until utilities lose 40% of their consumers to competition. The bill will also require a reduction of NOx and SO2 emissions from "grandfathered" power plants over a 2-year period. All net, verifiable, nonmitigated stranded costs may be recovered. Securitization will be allowed as a recovery mechanism. Utilities must unbundle into 3 separate categories, using separate companies or affiliate companies, the generation, the distribution and transmission, and the retail electric provider. Utilities will be limited to owning and controlling not more than 20% of installed generation capacity in their region (ERCOT). Municipals and cooperatives are not affected by the law, unless they choose (after 1/02) to open their territories to competition. The law also requires an increase in renewable generation and 50% of new capacity to be natural gas-fired.</p> <p>3/99: The Senate approved the bill, SB 7, that would open Texas' retail electricity market to competition by 1/1/02. It would also allow utilities to recover at least \$4 billion in stranded costs and give consumers a 5% rate reduction. No utility could own more than 20% of generation in their own operating territory.</p> <p>6/98: The legislature considered 4 bills to open the retail market to competition. (All failed in 1998 session.)</p> <p>12/97: Senate Interim Committee on Electric Industry Restructuring met, and will continue meeting with stakeholders; next meeting set for 2/98. The committee expects to issue a report prior to when the 1999 legislative session reconvenes in January.</p> <p>8/97: Senate committee is formed to review electric industry restructuring. A report is hoped for in 1999.</p> <p>1995: SB 373 enacted to restructure the TX wholesale electric industry, consistent with FERC requirements. The law requires utilities to provide unbundled transmission service on a non-discriminatory basis and establish an ISO.</p>

Investigative Studies	<p>1/99: The PUC released its report to the legislature on The Scope of Competition in the Electric Industry in Texas.</p> <p>11/98: The House committee released a report on the tax impacts of deregulation indicating a major overhaul of the state's tax system would be necessary if restructuring legislation were to pass in 1999.</p> <p>1/97: The PUC issued three reports as directed by the legislature. Volume I is on the scope of competition in the electric industry in Texas; Volume II is an investigation into retail competition; and Volume III focuses on recovery of stranded costs and competition.</p>
Links to Tables on Restructuring Issues	<p>[<a href="#">Retail Access</a>] [<a href="#">Stranded Costs</a>] [<a href="#">Public Benefits Programs</a>] [<a href="#">Pilot Programs</a>]</p>
Links to State Regulatory Commissions and Major Utilities	<p>[<a href="#">Texas Public Utility Commission</a>] [<a href="#">Entergy</a>] [<a href="#">Texas Utilities</a>]  <a href="#">Central Power &amp; Light</a>] [<a href="#">West Texas Utilities</a>] [<a href="#">El Paso Electric Co</a>]  <a href="#">Southwestern Electric Power Co</a>] [<a href="#">Houston Lighting &amp; Power Co</a>]  <a href="#">Texas-New Mexico Power</a>]</p>
<b>Utah</b>	
Legislation	<p>2/99: The legislature continued the Electric Deregulation and Customer Choice Task Force through 11/00, and repealed the rate freeze from the prior session.</p> <p>4/98: The Utah Legislative Task Force on Electric Deregulation and Restructuring is favoring a slower approach, and will not begin working on draft legislation until the fall of 1998.</p> <p>11/97: The task force voted to recommend no restructuring legislation for 1998 session. The task force will prepare draft legislation for a restructuring plan by April 1998 for introduction in the 1999 General Session.</p> <p>3/97: Legislature created a task force to study the various issues of electric industry restructuring. A draft report is due 11/97, and the final report is due 11/98.</p>
Investigative Studies	<p>11/98: A draft report on restructuring was issued by the Utah legislature's Electrical Deregulation and Customer Choice Task Force. The report is generally favorable toward competition ; however, it advises a "go slow" approach.</p> <p>10/98: The Utah Task Force on Electric Deregulation issued a report on stranded costs. The Task Force favors allowing the market to determine the value of stranded costs.</p> <p>6/98: The PSC's "Unbundling Electricity Related Services" report to the Electric Deregulation and Customer Choice Task Force details technical options for separating the costs for generation, transmission, and</p>

	distribution.
Links to State Regulatory Commissions and Major Utilities	[ <a href="#">Utah Division of Public Utilities</a> ] [ <a href="#">Utah Public Service Commission</a> ] [ <a href="#">PacifiCorp</a> ]
<b>Vermont</b>	
Regulatory Orders	<p>12/96: Vermont PSB issued its plan to restructure the electric power industry that called for retail competition by 1998, functional unbundling, and allowed recovery of stranded costs. Implementation of the plan requires legislation.</p> <p>10/95: The PSB issued an Order to conduct a formal investigation into restructuring the electric power industry. An informal investigation had yielded a set of principles for implementing competition.</p>
Legislation	<p>8/98: The Governor created a task force to study restructuring activities regionally and nationally; the effects of Hydro-Quebec contracts on ratepayers; the State's competitive position with a deregulated environment; and the effect of recent regulatory activities on Vermont utilities. A report will be due in 12/98.</p> <p>4/98: Several restructuring bills were considered in 1998 session. The session ended on 4/17 with no action taken on any of the bills.</p> <p>10/97: House Electric Utility Regulatory Reform Committee voted to not propose any retail wheeling legislation in 1998, but will draft its version of a restructuring bill for 1999.</p> <p>8/97: Prompted by the Senate bill, the House formed a special committee to study restructuring issues.</p> <p>4/97: The Senate passed a bill based on the plan issued by the PSB that would have allowed retail choice by 1998; however, the bill stalled in the House.</p>
Investigative Studies	12/98: The governor's Working Group on Vermont's Electricity Future issued a report that unveiled a restructuring plan. The report suggests that the industry in Vermont should be restructured within the next year to 18 months, and the three major utilities in the State merge and that the contracts costs with Hydro Quebec be paid down with State-backed loans.
Links to State Regulatory Commissions and Major Utilities	[ <a href="#">Vermont Department of Public Service</a> ] [ <a href="#">DPS restructuring page</a> ] [ <a href="#">Vermont Public Service Board restructuring page</a> ] [ <a href="#">Central Vermont Public Service</a> ] [ <a href="#">Green Mountain Power</a> ] [ <a href="#">Citizen's Utilities</a> ]
<b>Virginia</b>	

## Regulatory Orders

11/01: The SCC issued an order regarding customer minimum stay periods (the time a customer must remain with the incumbent utility upon returning from competitive supplier service). When returning to capped rate or default service after receiving service from a competitive service provider, customers with an annual peak demand of 500 kW or greater will be required to remain with the default supplier a minimum of 12 months. However, if the competitive service supplier leaves Virginia, the minimum stay period will not apply to the affected customers.

7/01: The State Corporation Commission adopted rules to advance a competitive energy supply market and protect customers that shop for alternative electric suppliers when the retail market opens in January 2002. The SCC ruled that utilities will be required to provide lists of all eligible customers to competitive service providers. Customers will have the opportunity to have the information withheld, known as the "opt-out" provision. Utilities will also be required to unbundle charges on customer bills into the following components: distribution service, competitive transition charge, electricity supply service, state and local consumption tax, and local utility tax. Bills will also include a customer's monthly energy consumption for the previous 12 months, a "price to compare" for shopping comparison to energy service providers prices, descriptions of charges, and notices of any rate changes. Rules also provide numerous consumer protections and rights to information. The [Virginia Energy Choice](#) web site provides information about the progress toward developing a competitive energy supply market in Virginia.

2/00: The SCC issued rules for pilot programs for public comment. Comments were expected back by 2/24/00. Pilot programs at AEP, Virginia Power, and Rappahanock Electric Cooperative should begin before mid-year.

6/99: The SCC is working on formulating rules for pilot programs in the State. A task force is discussing rules that will ensure that utilities do not take advantage as distribution companies to assist an affiliated competitive power supplier, or use their transmission and distribution business to subsidize an affiliate competitive energy supplier.

6/99: Two cooperatives, Mecklenburg and Rappahanock Electric Cooperatives, are proposing to develop retail access pilot programs. Cooperatives are not required, as IOU's are by the restructuring legislation, to develop pilot programs.

11/99: American Electric Power filed with the SCC a plan for a pilot program for 2% of its customers in VA.

8/98: The SCC approved more than \$700 million in refunds and rate reductions. A total of \$150 million in refunds will be provided by 11/2/98. In return for the refund/rate cuts, VA Power will use \$220 million in revenue to reduce debt on generation assets.

	<p>3/98: SCC ordered investor-owned utilities to begin work on change to introduce retail competition to the State including the creation of an ISO, PX, and plans for pilot programs. Utilities are to report on their previous activities and future plans by 4/15/98.</p>
<p>Legislation</p>	<p>3/01: SB 1420, a bill concerning the designation of a default supplier and a mechanism for establishing default service rates, was enacted. The bill designates the SCC as the deciding agent for supplier of last resort in a competitive retail market for electricity. Potential suppliers could bid to provide the service, and the SCC can set the rates for default service, based on market rates. Other points contained in the bill: transfer or sale of generating assets would be subject to SCC approval; competitive metering and billing, scheduled for 2002 and 2003, could be delayed; and suppliers would be allowed to recover the costs of implementing competitive metering and billing through tariffs.</p> <p>3/99: The Virginia Electric Utility Restructuring Act (SB 1269) passed the General Assembly and was signed into law by the Governor. Highlights of the bill include: creation of a regional transmission entity by 1/1/01; deregulation of generation by 1/1/02; phase-in of consumer choice between 1/1/02 and 1/1/04; rates capped through 7/07 for those who remain with the incumbent utility; recovery of stranded costs through capped rates for customers staying with the incumbent utility and through a wires charge for those who switch to competitive suppliers; and consumer protections such as universal service, education programs, fuel and emission disclosure requirements, and allowing aggregation for small consumers.</p> <p>12/98: The Legislative Joint Committee Examining Electric Utility Restructuring Panel prepared a detailed plan to implement restructuring and retail competition.</p> <p>11/98: The legislative committee on electric restructuring began work on legislation for the 1999 session that will detail restructuring issues. A bill was passed in April 1998 that requires retail competition by 1/1/04.</p> <p>5/98: The legislative committee met to discuss details of restructuring. Concern was given to market power, and whether to require divestiture of generating assets. An estimate of \$3 billion in stranded costs was given for Virginia Power.</p> <p>4/98: Restructuring legislation, HB 1172, was signed into law. The law establishes a schedule for retail competition beginning 1/02 and completion by 1/04. Also, the law requires establishment of an ISO and allows recovery of net stranded costs. The General Assembly will deal with details of restructuring issues such as stranded costs and public benefits programs in the 1999 session.</p>

<p>Investigative Studies</p>	<p>11/01: The SCC staff presented to the 2001 Legislative Transition Task Force the required annual report on the status of development of a competitive retail electricity market within Virginia. According to the report, the pilot programs currently underway in Dominion Virginia Power, American Electric Power, and Rappahanock Electric Cooperative are not as successful as anticipated. Although some customers in Dominion Virginia Power's area have switched to competitive suppliers, none switched in AEP or Rappahanock's areas, and no competitive suppliers are currently making offers for service in any area. The report also examines other retail electricity markets in surrounding regions and found most to be under stress and undergoing decreasing participation. The report includes recommendations by interested parties to facilitate competition in retail electricity markets. One suggestion, the elimination of price caps and wires charges, was rejected by the SCC since these mechanisms are intended to protect both consumers and incumbent utilities.</p> <p>11/97: The SCC issued a study on electric industry restructuring and a model for competition. The draft model recommends a five-year transition to full retail access. Phase I, from 1998 to 2001, would involve unbundled rates and bills, a study of stranded costs, formation of an ISO and PX, and pilot programs to study retail wheeling. Phase II, from 2000 to 2002, would involve decision-making for a competitive industry and utility plans for restructuring. Full competition would then be phased-in through 2005.</p> <p>11/96: The SCC issued an order calling for more study on competition in the industry. The SCC asked that the state move slowly toward retail competition.</p>
<p>Links to Tables on Restructuring Issues</p>	<p><a href="#">[Retail Access]</a>   <a href="#">[Stranded Costs]</a>   <a href="#">[Pilot Programs]</a></p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p><a href="#">[Virginia State Corporation Commission]</a>   <a href="#">[SCC restructuring page]</a>  <a href="#">[Virginia General Assembly]</a>   <a href="#">[Virginia restructuring legislation]</a>  <a href="#">[Virginia Power]</a>   <a href="#">[AEP]</a></p>
<p><b>Washington</b></p>	
<p>Regulatory Orders</p>	<p>5/01: The Washington Utilities and Transportation Commission announced a settlement between Puget Sound Energy and the utility's large industrial customers. The utility's six largest industrial customers will be allowed to buy power from any source, including other utilities, power marketers and each other.</p> <p>12/95: WUTC issued its final guidelines after a year-long inquiry into retail wheeling and restructuring issues, favoring a gradual approach.</p>

<p>Legislation</p>	<p>5/98: Several bills were passed by the legislature: a net metering bill to allow net metering for on customer site generation from solar, wind, and small (under 25 kW) hydro; and an unbundling bill to require generation, distribution, transmission, control area services, and programs to benefit the public (i.e., low-income, conservation) to be shown as separate charges for the purpose of preparing a report to the State legislature. The bill did not require utilities to offer unbundled services to consumers.</p> <p>4/98: HB 2831 passed the legislature and the Governor is expected to sign it. The bill requires utilities to study and submit reports on unbundling their costs and the quality of service and reliability. Reports must be submitted by 9/98, and a the WUTC will provide a consolidated report to the legislature by 12/98.</p>
<p>Investigative Studies</p>	<p>12/98: The WUTC delivered a report to the legislature per Bill 6560, on retail consumer protections.</p> <p>5/98: WUTC completed Phase I of its investigation into electric restructuring concluding the pace nationwide is faster than expected.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[<a href="#">Pilot Programs</a>] [<a href="#">Additional Information</a>]</p>
<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">Washington Utilities and Transportation Commission</a>] [<a href="#">WUTC restructuring page</a>] [<a href="#">PacifiCorp</a>] [<a href="#">Washington Water Power</a>] [<a href="#">Puget Sound Energy</a>]</p>
<p><b>West Virginia</b></p>	
<p>Regulatory Orders</p>	<p>12/99: The PSC submitted its restructuring plan, the culmination of three years of study, to the legislature for approval. The plan will implement consumer choice by January 2001, provides a rate freeze through 2004, and will stabilize rates through 2014. In the plan, divestiture is not required, but utilities must transfer generation to a fully separate subsidiary by 2005.</p>
	<p>9/99: The Consumer Advocate Division of the PSC argues that consumers in WV have already paid the stranded costs associated with power plant construction. They are also pushing for a rate cap in the deregulation plan to be developed for submittal to the legislature early next year. All parties are planning to begin negotiation of the plan by November 1999.</p> <p>1/99: The PSC scheduled 2 hearings in August of 1999 that will address electric restructuring issues such as stranded costs and consumer protections.</p> <p>10/98: The PSC pushed back the October 1998 deadline for its final report on restructuring to 11/16/98.</p> <p>9/98: The PSC suspended an October 1998 hearing on deregulation,</p>

	<p>delaying any plan to submit recommendations to the 1999 legislature. No hurry is seen to enact deregulation since WV rates are low.</p> <p>5/98: In compliance with HB 4277, a new restructuring docket was established. Proponents of deregulation are requested to file plans meeting criteria in HB 4277. A series of restructuring workshops will be held this summer and fall. Proposed plans have been submitted by 11 parties including AEP.</p> <p>5/97: The PSC formed a task force to study restructuring; a report is due 10/97.</p>
<p>Legislation</p>	<p>10/00: In light of the low cost of electricity in WV and the price spikes experienced this past summer in other States that have restructured retail markets, lawmakers seem to need to be convinced that restructuring will benefit WV consumers. Before the provisions of the restructuring law can take effect, a resolution must be passed by the legislature in 2001. Most concerns center on protecting small (residential) consumers from price increases.</p> <p>3/00: The Legislature approved the Electricity Restructuring Plan submitted by the WV PSC. The plan will allow retail choice by January 2001, unbundles and caps rates until 2004, and provides commercial and industrial rate reductions through 2005. The legislation requires passage of a resolution in the 2001 session before the provisions of the law can go into effect.</p> <p>3/98: HB 4277 was passed to give the PSC authorization to develop a restructuring plan for presentation to the legislature in January 1999. The plan will require legislative approval. The principles which a restructuring plan should be based on are included in the legislation.</p> <p>1/98: A bill was introduced to the legislature to authorize the PSC to design and implement an electricity deregulation plan.</p>
<p>Investigative Studies</p>	<p>11/98: The PSC staff issued a status report on its study of deregulation in WV stating that utilities, industrials, consumer advocates, and marketers have failed to reach a final consensus on a restructuring plan in WV.</p> <p>6/98: A report was filed with the Consumer Advocate Division of the PSC stating that the public interest would not be served by the current proposals to deregulate the electric power industry in WV. WV enjoys some of the lowest rates in the Nation, and it is feared that rates for residential consumers would rise in a competitive electricity market.</p> <p>10/97: The PSC staff report was issued.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[<a href="#">Retail Access</a>]</p>

<p>Links to State Regulatory Commissions and Major Utilities</p>	<p>[<a href="#">West Virginia Public Service Commission</a>] [<a href="#">PSC restructuring page</a>]                  [<a href="#">Allegheny Power - Potomac Edison/Monongahela</a>] [<a href="#">AEP</a>]</p>
<p><b>Wisconsin</b></p>	
<p>Regulatory Orders</p>	<p>12/00: WPS Resources filed a restructuring plan with the PSC that would transfer WPS generating assets to a nonregulated subsidiary (genco) and transform Wisconsin Public Service Corporation into a regulated electric distribution company (disco). A power purchase agreement between the disco and genco would be executed, and ratepayers would retain the same rates as they have today. WPS sees this plan that would remove power plants and their construction from rate bases as a step toward a competitive market in WI, something they see as inevitable due to surrounding states restructuring status.</p> <p>11/97: PSC issued its final decision on electric industry restructuring. The plan does not recommend retail access before 2000, but focuses on improving the utility infrastructure. Recommendations included improving transmission facilities; removing barriers to open transmission access; developing an ISO; promoting construction of merchant plants; and promoting the development of renewable energy resources.</p> <p>8/97: PSC submitted its draft 7-step work plan to restructure the electric industry to the legislature. the plan focuses on reliability and infrastructure improvements, and does not recommend retail access at least until 2000. A final decision is set for 10/30/97.</p>
<p>Legislation</p>	<p>10/99: A proposal called "Reliability 2000," includes a budget plan to restructure the utility industry. It estimates a cost of \$14 per year per consumer for energy conservation projects and low-income assistance programs; would create a nonprofit company to own and operate the transmission system; and would lift a rule that limits a utility's investments to 25% of its assets.</p> <p>4/98: Legislation to improve reliability and prevent power shortages by establishing a competitive merchant plant generating industry and creating a regional independent system operator was signed into law on 4/28/98. The law will allow merchant plants up to 100 MW to be built without PSC approval, and utilities are required to join an ISO and create 50 MW of power from renewable sources by 2000.</p> <p>1/98: A bill authored by the Governor was introduced in the 1998 session that considers the reliability issues as proposed in the PSC final decision of 10/30/97.</p>
<p>Links to Tables on Restructuring Issues</p>	<p>[<a href="#">Retail Access</a>] [<a href="#">Additional Information</a>]</p>

Links to State Regulatory Commissions and Major Utilities	<a href="#">[Wisconsin Public Service Commission]</a> <a href="#">[PSC restructuring page]</a> <a href="#">[Wisconsin joint legislative council on restructuring]</a> <a href="#">[Wisconsin Electric]</a> <a href="#">[Alliant/Wisconsin Power &amp; Light Co]</a> <a href="#">[Wisconsin Public Service Corporation]</a> <a href="#">[Madison Electric &amp; Gas]</a> <a href="#">[Northern States Power]</a>
<b>Wyoming</b>	
Regulatory Orders	6/98: The PUC had scheduled a hearing on deregulation in June 1998 to establish voluntary guidelines for utilities, but the hearing was canceled in response to legislator's concerns.
Legislation	6/98: A controversial bill was revived which was killed in January 1998.  9/97: A joint committee of the Wyoming legislature began a series of hearings on electric industry restructuring.
Investigative Studies	9/97: An analysis of electric industry restructuring in the state was issued by the PSC. The paper stated that further study was needed; legislation would be needed; stranded costs should be recoverable; and pilot programs should be developed.
Links to State Regulatory Commissions and Major Utilities	<a href="#">[Wyoming Public Service Commission]</a> <a href="#">[PSC restructuring page]</a> <a href="#">[Montana-Dakota Utilities]</a> <a href="#">[PacifiCorp]</a>

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## Federal Restructuring Legislation

107<sup>th</sup> Congress  
(2001-2002)

This website presents the purpose and summary of all Federal bills before the current Congress which deal both directly and indirectly with the issue of restructuring the U.S. electric power industry. Listed first are the Senate bills in chronological order (by date of introduction) followed by bills before the House of Representatives. All information reproduced here has been abstracted from the Library of Congress Internet website at <http://thomas.loc.gov/home/thomas2.html>. Further information about these proposals and their status can be accessed at this site.

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### Senate Bills

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**Bill Number:** S. 26**Short Title:** (No short title)**Introduced:** January 22, 2001**Sponsor:** Senator Dianne Feinstein (D-CA)

**Purpose:** To amend the Department of Energy Authorization Act to authorize the Secretary of Energy to impose interim limitations on the cost of electric energy to protect consumers from unjust and unreasonable prices in the electric energy market.

**Summary:** Amends the Department of Energy Organization Act to direct the Secretary of Energy to impose an interim regional price limitation, or cost-of-service based rate, upon sales of electric energy at wholesale rate in interstate commerce subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) whenever: (1) FERC determines that the pertinent rate charge, or classification is unduly preferential, unjust, or unreasonable, or the Secretary determines that it exceeds significantly the marginal cost of electric energy production; and (2) the continued existence of such rate, charge, or classification threatens public health and safety or regional economy, and FERC has otherwise failed to act to improve the situation. Authorizes the Governor of any State within such affected region to waive application of the price limitation. Exempts from the interim price limitations of this Act sales of electric energy generated by certain small power production or cogeneration facilities under the purview of the Public Utility Regulatory Policies Act of 1978.

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**Bill Number:** S. 80**Short Title:** *California Electricity Consumers Relief Act of 2001*

**Introduced:** January 22, 2001

**Sponsor:** Senator Barbara Boxer (D-CA)

**Purpose:** To require the Federal Energy Regulatory Commission to order refunds of unjust, unreasonable, unduly discriminatory or preferential rates or charges for electricity, and to establish cost-based rates for electricity sold at wholesale in the Western Systems Coordinating Council.

**Summary:** Amends the Federal Power Act to direct the Federal Energy Regulatory Commission (FERC) to: (1) order a refund (with interest) of that portion of electricity rates or charges that FERC finds to be in excess of market-based rates that are just, reasonable, and neither unduly discriminatory nor preferential; and (2) issue an order establishing the maximum price for electricity sold at wholesale in the Western System Coordinating Council after June 1, 2000, if it determines that rates charged for wholesale sales of electricity are unjust and unreasonable under the Federal Power Act. Prescribes guidelines governing: (1) FERC response to certain State petitions regarding such unjust rates; (2) FERC establishment of maximum electricity prices; (3) mandatory refunds of prices paid in excess of such maximum; and (4) civil penalties for violations of this Act.

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**Bill Number:** S. 172

**Short Title:** *Electric Reliability Act*

**Introduced:** January 24, 2001

**Sponsor:** Senator Gordon Smith (R-OR)

**Purpose:** Amends the Federal Power Act to establish mandatory reliability standards for the bulk-power system.

**Summary:** Amends the Federal Power Act to establish mandatory reliability standards for the bulk-power system. Grants the Federal Energy Regulatory Corporation (FERC) jurisdiction, over: (1) the electric reliability organization (ERO, established by this Act); (2) Affiliated Regional Reliability Entities; (3) system operators; and (4) users of the bulk-power system. Mandates that: (1) ERO take appropriate steps to gain recognition in Canada and Mexico; and (2) the United States use its best efforts to enter into agreements with Canada and Mexico to effectuate compliance with ERO standards. Grants the ERO disciplinary and enforcement powers. Permits recovery of implementation and enforcement costs incurred by the ERO and each Affiliated Regional Reliability Entity, respectively. Instructs FERC to establish a regional advisory body upon the petition of certain State Governors. Limits ERO authority exclusively to bulk-power system reliability standards. Denies the ERO and FERC any authority to set and enforce compliance with adequacy or safety standards governing either electric facilities or services. Declares that nothing in this Act preempts State action that is not inconsistent with ERO standards.

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**Bill Number:** S. 173

**Short Title:** *Consumer Utilities Turnback (CUT) Trust Fund Act of 2001*

**Introduced:** January 24, 2001

**Sponsor:** Senator Barbara Boxer (D-CA)

**Purpose:** To amend the Internal Revenue Code of 1986 to impose a windfall profits adjustment on the production of domestic electricity and to use the resulting revenues to fund rebates for individual and business electricity consumers.

**Summary:** Amends the Internal Revenue Code to impose an excise tax on the windfall profit from the sale of electricity produced from a facility located in the United States at a rate equal to 100 percent of such windfall profit. Establishes the Consumer Utilities Turnback Trust Fund into which shall be appropriated revenues from such tax. Provides that amounts in the Fund shall be available, without further appropriation, for specified rebates for individual and business electricity consumers.

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**Bill Number:** S. 206

**Short Title:** *Public Utility Holding Company Act of 2001*

**Introduced:** January 30, 2001

**Sponsor:** Senator Richard Shelby (R-AL)

**Purpose:** To repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 2001, and for other purposes.

**Summary:** Repeals the Public Utility Holding Company Act of 1935. Prescribes procedural guidelines for both Federal Energy Regulatory Commission (FERC) and State access to records of a holding company (including subsidiaries, associates, and affiliates) of a public utility or natural gas company. Instructs FERC to promulgate a final rule to exempt specified holding companies from such access requirements. Requires FERC to exempt any person or transaction from such access requirements if it finds that regulation of such person or transaction is irrelevant to the jurisdictional rates of a public utility or natural gas company. Retains the jurisdiction of FERC and State commissions to determine whether a public utility company or natural gas company may recover in rates any costs of affiliate transactions. Declares this Act inapplicable to: (1) the United States; (2) a State or its political subdivision; and (3) a foreign governmental authority not operating in the United States. Grants FERC certain Federal Power Act enforcement powers. Amends the Federal Power Act to repeal its conflict of jurisdiction guidelines.

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**Bill Number:** S. 221

**Short Title:** *State Electricity Reserve Fund Act of 2001*

**Introduced:** January 30, 2001

**Sponsor:** Senator Barbara Boxer (D-CA)

**Purpose:** To authorize the Secretary of Energy to make loans through a revolving loan fund for States to construct electricity generation facilities for use in electricity supply emergencies.

**Summary:** Establishes in the Treasury the State Electricity Reserve Loan Fund. Authorizes the Secretary of Energy to make loans to a State from such Fund, without further appropriation, for electricity generating facilities capable of meeting intermittent deficiencies in electricity supply that the State may expect during any period over the next ten years. Mandates that such facilities: (1) be State-owned and operated; and (2) be operated to supply electricity to the electricity transmission

grid only during periods of electricity emergencies declared by the Governor of the State. Makes appropriations to the Fund for FY2002 through 2006.

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**Bill Number:** S. 286

**Short Title:** *Small Business Assistance Act of 2001*

**Introduced:** February 8, 2001

**Sponsor:** Senator Dianne Feinstein (D-CA)

**Purpose:** To direct the Secretary of Commerce to establish a program to make no-interest loans to eligible small business concerns to address economic harm resulting from shortages of, and increases in the prices of, electricity and natural gas.

**Summary:** Directs the Secretary of Commerce to establish a program to make no-interest loans to certain small businesses that: (1) are not covered by a State program limiting retail electricity rates; and (2) are located in California, are business customers of specified utilities, and have specified electric or natural gas usage rates; or (3) are located in other states and have experienced an increase in electricity or natural gas costs of not less than 100 percent. Establishes the Small Business Energy Expense Assistance Fund to fund such loans.

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**Bill Number:** S. 287

**Short Title:** (No short title)

**Introduced:** February 8, 2001

**Sponsor:** Senator Dianne Feinstein (D-CA)

**Purpose:** To direct the Federal Energy Regulatory Commission to impose cost-of-service based rates on sales by public utilities of electric energy at wholesale in the western energy market.

**Summary:** Directs the Federal Energy Regulatory Commission (FERC) to impose cost-of-service based rates on sales by public utilities of electric energy at wholesale in the western energy market. Mandates that such imposed cost-of-service based electric energy rates remain in effect until the market for electric energy in the western energy market reflects just and reasonable rates as determined by FERC.

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**Bill Number:** S. 388

**Short Title:** *National Energy Security Act of 2001*

**Introduced:** February 26, 2001

**Sponsor:** Senator Frank H. Murkowski (R-AK)

**Purpose:** To protect the energy and security of the United States and decrease America's dependency on foreign oil sources to 50 percent by the year 2011 by enhancing the use of renewable energy resources, conserving energy resources, improving energy efficiencies, and increasing domestic energy supplies; improve environmental quality by reducing emissions of air

pollutants and greenhouse gases; mitigate the effect of increases in energy prices on the American consumer, including the poor and the elderly; and for other purposes.

**Summary:** Mandates Federal studies and reports to Congress regarding specified national energy needs and resources. Prescribes research and development programs pertaining to designated energy technologies. Amends the Outer Continental Shelf Lands Act to authorize the Secretary of the Interior to reduce or eliminate the royalty or net profit share set forth in leases in the Western, Eastern and Central Planning Areas of the Gulf of Mexico. Mandates that: (1) Federal oil or gas royalties accruing to the United States under any lease or permit be paid in kind in oil or gas; and (2) such royalty-in-kind oil be transferred to the Secretary of Energy to fill the Strategic Petroleum Reserve. Mandates transfer to a State, upon its request, of Federal authority over oil and gas lease operations on Federal land within the State. Directs the Secretary, when the price of West Texas Intermediate crude oil or natural gas reach certain levels, to grant a specified credit against the payment of royalties on oil and gas exploration and development on Federal land and the Outer Continental Shelf in order to encourage those activities. Establishes Federal grant programs for incentive payments for nuclear energy technology and research. Arctic Coastal Plain Domestic Energy Security Act of 2001 - Prescribes leasing guidelines for the Arctic Coastal Plain (Arctic National Wildlife Refuge) for private sector oil and gas exploration, development, and production, including rights-of-way and easements for oil and gas transportation. Establishes Federal grant programs for: (1) local governmental use of alternative fuel vehicles; and (2) residential renewable energy. Delineates mandatory factors for consideration by Federal agencies in connection with hydroelectric power licensing procedures. Amends the Federal Power Act to direct the Federal Energy Regulatory Commission to approve an Electric Reliability Organization, which shall adopt standards for the reliable operation of a bulk power system. Amends the Public Utility Regulatory Practices Act of 1978 to repeal the requirement that an electric utility enter into a new contract to purchase or sell electric energy or capacity pursuant to requirements governing cogeneration and small power production. Repeals the Public Utility Holding Company Act of 1935. Deems State actions to support emission-free electricity sources to be control measures meeting Clean Air Act requirements and included in a State Implementation Plan.

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**Bill Number:** S. 389

**Short Title:** *The National Energy Security Act of 2001*

**Introduced:** February 26, 2001

**Sponsor:** Senator Frank H. Murkowski (R-AK)

This bill is the same as the preceding bill, S. 388, except that it includes a provision to amend the Internal Revenue Code of 1986 to establish tax incentives, including tax credits, with respect to: (1) oil and gas production; (2) offshore oil and gas vessels and structures; (3) emission reductions and efficiency improvements in coal-based electricity generation facilities; (4) early commercial applications of advanced clean coal technologies; (5) prepayments for natural gas; (6) electric power; (7) spent nuclear fuel storage; (8) energy efficiency; (9) alternative fuels; and (10) renewable energy.

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**Bill Number:** S. 408

**Short Title:** *Small Business Electricity Emergency Relief Act of 2001*

**Introduced:** February 27, 2001

**Sponsor:** Senator Barbara Boxer (D-CA)

**Purpose:** To provide emergency relief to small businesses affected by the significant increases in the price of electricity.

**Summary:** Amends the Small Business Act to authorize the Small Business Administration (SBA) to make disaster loans to assist small businesses that have suffered or are likely to suffer substantial economic injury as the result of a sharp and significant increase in the price of electricity. Prohibits any such loan from being made if the total amount outstanding and committed to the borrower would exceed \$1.5 million, unless the applicant is a major source of employment in its surrounding area. Requires, for such assistance: (1) a declaration of a disaster by the President or the SBA Administrator; or (2) a certification from the governor of the State that its small businesses have suffered such economic injury and are in need of assistance which is not otherwise available.

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**Bill Number:** S. 552

**Short Title:** *Transition to Competition in the Electric Industry Act*

**Introduced:** March 15, 2001

**Sponsor:** Senator Bob Graham (D-FL)

**Purpose:** To provide that no electric utility shall be required to enter into a new contract or obligation to purchase or to sell electricity or capacity under Section 210 of the Public Utility Regulatory Policies Act of 1978.

**Summary:** States that no electric utility shall be required, under the Public Utility Regulatory Policies Act of 1978 (PURPA), to enter into a new contract or obligation to purchase or sell electricity or capacity from or to qualifying cogeneration and small power production facilities. Requires the Federal Energy Regulatory Commission to promulgate and enforce regulations designed to ensure that no electric utility shall be required to absorb the costs associated with purchases of electric power or capacity from a qualifying facility pursuant to PURPA obligations before enactment of this Act.

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**Bill Number:** S. 597

**Short Title:** *Comprehensive and Balanced Energy Policy Act of 2001* (A portion of the bill is entitled *Price-Anderson Amendments Act of 2001*)

**Introduced:** March 22, 2001

**Sponsor:** Senator Jeff Bingaman (D-NM)

**Purpose:** To provide for a comprehensive and balanced national energy policy.

**Summary:** Establishes: (1) the National Commission on Energy and Climate Change; and (2) the Interagency Working Group on Clean Energy Technology Transfer. Authorizes the States to develop energy infrastructure regional coordination. Mandates periodic reviews of regulations to identify barriers to market entry for emerging energy technologies. Amends the Federal Power Act

Rural Electrification Act of 1936 to authorize electrification grants for rural and remote communities. Amends the Energy Policy Act of 1992 to mandate a comprehensive Indian energy program. Amends the Department of Energy Organization Act to establish the Office of Indian Energy Policy and Programs. Directs the Federal Trade Commission to prescribe disclosure requirements regarding: (1) energy sources used to generate electricity; and (2) specified consumer protections and privacy. Amends the Federal Power Act to require the Federal Energy Regulatory Commission to establish: (1) a wholesale electricity market data information system; and (2) wholesale electric energy rates in the western energy market. Prescribes guidelines governing: (1) renewable energy resources; (2) distributed generation facilities; and (3) hydroelectric relicensing. Directs the Secretary of Energy to: (1) assess cost and performance goals for a national coal-based technology development and applications program; and (2) implement a power plant improvement initiative program. **Price-Anderson Amendments Act of 2001** - Amends the Atomic Energy Act of 1954 to revise indemnification and liability guidelines. Sets a deadline for a specified Outer Continental Shelf Oil and Gas lease sale. Mandates an accelerated research and development program regarding pipeline integrity of natural gas and hazardous liquids. Prescribes guidelines for statutory mechanisms that increase vehicle fuel efficiency or provide vehicle alternatives in order to limit demand for petroleum products by light-duty vehicles. Amends the Energy Policy and Conservation Act to revise alternative fuel requirements for Federal fleets. Establishes: (1) the Federal Energy Bank; and (2) the High Performance Schools Program. Energy Science and Technology Enhancement Act - Delineates goals for enhanced research and development programs that target: (1) energy efficiency; (2) renewable energy; (3) fossil energy; (4) nuclear energy; and (5) fundamental energy science. Directs the Secretary of Energy to: (1) establish national energy research and development advisory boards; (2) monitor workforce trends pertaining to skilled technical personnel supporting energy technology industries; (3) establish traineeship grant programs for technically skilled personnel; and (4) develop employee training guidelines to support electric supply system reliability and safety.

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**Bill Number:** S. 764

**Short Title:** *The Energy Reliability and Stability Act of 2001*

**Introduced:** April 24, 2001

**Sponsor:** Senator Dianne Feinstein (D-CA) and Senator Gordon Smith (R-OR)

**Purpose:** To direct the Federal Energy Regulatory Commission to impose just and reasonable load-differentiated demand rates or cost-of-service based rates on sales by public utilities of electric energy at wholesale in the western energy market.

**Summary:** Instructs the Federal Energy Regulatory Commission (FERC) to impose just and reasonable load-differentiated demand rates or cost-of-service based rates on sales by public utilities of electric energy at wholesale in the western energy market (the area covered by the Western Systems Coordinating Council). Authorizes a State public utility commission in such market to prohibit any utility under its jurisdiction from making any sale of electric energy to a purchaser outside the utility's service area if the commission believes that its delivery would impair the utility's ability to meet the demand for electric energy in its own service area. Instructs FERC to require a seller of natural gas to disclose the commodity portion and transportation portion of the sale price if it is sold in a bundled transaction under which it is to be transported into the State of California from outside the State. Expresses the sense of the Senate that the Bonneville Power Administration should: (1) take steps to reduce its wholesale electric power purchase needs in the

rate period beginning October 1, 2001; and (2) undertake other actions to minimize its potential wholesale electric rate increase due to take effect October 1, 2001.

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**Bill Number:** S. 794

**Short Title:** *Rural Electric Tax Equity Act*

**Introduced:** April 26, 2001

**Sponsor:** Senator Fred Thompson (R-TN)

**Purpose:** To amend the Internal Revenue Code of 1986 to facilitate electric cooperative participation in a competitive electric power industry.

**Summary:** Amends the Internal Revenue Code to permit an exempt mutual or electric cooperative to exclude from income certain prepayments of any loan, debt, or obligation made, insured, or guaranteed under the Rural Electrification Act of 1936. Adds rules concerning the treatment of certain amounts received by taxable electric cooperatives.

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**Bill Number:** S. 900

**Short Title:** *Consumer Energy Commission Act of 2001*

**Introduced:** May 16, 2001

**Sponsor:** Senator Richard Durbin (D-IL)

**Purpose:** To establish a Consumer Energy Commission to assess and provide recommendations regarding recent energy price spikes from the perspective of consumers.

**Summary:** Establishes the Consumer Energy Commission to conduct a nationwide study of significant price spikes in major U.S. consumer energy products during the ten years preceding the date of enactment of this Act, and report its findings to Congress.

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**Bill Number:** S. 972

**Short Title:** *The Electric Power Industry Tax Modernization Act*

**Introduced:** May 25, 2001

**Sponsor:** Senator Frank Murkowski (R-Alaska)

**Purpose:** To amend the Internal Revenue Code of 1986 to improve electric reliability, enhance transmission infrastructure, and to facilitate access to the electric transmission grid.

**Summary:** Amends the Internal Revenue Code to permit a governmental unit to make an irrevocable election to terminate certain tax-exempt bond financing for electric output facilities. Sets forth provisions concerning independent transmission companies. Provides for the exclusion from gross income as contributions to capital of certain amounts received by electric utilities. Revises the special rules concerning the tax treatment of nuclear decommissioning costs.

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**Bill Number:** S. 1068

**Short Title:** *Electricity Gouging Relief Act of 2001*

**Introduced:** June 20, 2001

**Sponsor:** Senator Barbara Boxer (D-CA)

**Purpose:** To provide refunds for unjust and unreasonable charges on electric energy.

**Summary:** Amends the Federal Power Act to instruct the Federal Energy Regulatory Commission to order a refund (including interest) for the portion of charges on the transmission or sale of electric energy between June 1, 2000, and June 19, 2001, which the Commission deems to be unjust and unreasonable.

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**Bill Number:** S. 1231

**Short Title:** *Electricity Information Disclosure Efficiency, and Accountability Act*

**Introduced:** July 24, 2001

**Sponsor:** Senator Ron Wyden (D-OR)

**Purpose:** To amend the Federal Power Act to establish a system for market participants, regulators, and the public to have access to certain information about the operation of electricity power markets and transmission systems.

**Summary:** Amends the Federal Power Act to instruct the Federal Energy Regulatory Commission to promulgate regulations requiring each system operator to establish a standardized information system that provides access (including access on the Internet) to: (1) bulk-power system operating data for all users of the bulk-power system, State regulatory authorities, and the public; and (2) market-bid data for designated persons. Provides for protection of commercially sensitive data upon petition of a bulk-power system user. Restricts disclosure of bidder identity to duly authorized State and Federal regulatory agencies.

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**Bill Number:** S. 1403

**Short Title:** *Home Energy Generation Act*

**Introduced:** September 5, 2001

**Sponsor:** Senator Maria Cantwell (D-WA)

**Purpose:** A bill to amend the Federal Power Act to promote energy independence and diversity by providing for the use of net metering by certain small electric energy generation systems, and for other purposes.

**Summary:** The summary has not yet been posted.

## House Bills

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**Bill Number:** H.R. 4

**Short Title:** *Securing America's Future Energy Act*

**Introduced:** July 27, 2001

**Sponsor:** Congressman W. J. (Billy) Tauzin (R-LA)

**Purpose:** To enhance energy conservation, research, and development and to provide for security and diversity in the energy supply for the American people, and for other purposes.

**Summary:** This bill, which passed the House on August 2, 2001, includes the bulk of the Bush Administration's proposals for a national energy policy but does not address electricity restructuring issues. Those are being dealt with separately in the House and Senate. This landmark legislation is a consolidated version of bills passed by four House Committees -- Energy and Commerce, Resources, Science, and Ways and Means. A summary will be provided here as soon as it becomes available.

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**Bill Number:** H.R. 238

**Short Title:** (No short title)

**Introduced:** January 20, 2001

**Sponsor:** Congressman Duncan Hunter (R-CA)

**Purpose:** To amend the Department of Energy Authorization Act to authorize the Secretary of Energy to impose interim limitations on the cost of electric energy to protect consumers from unjust and unreasonable prices in the electric energy market. (House version of S. 26)

**Summary:** Amends the Department of Energy Organization Act to direct the Secretary of Energy to impose an interim regional price limitation, or cost-of-service based rate, upon sales of electric energy at wholesale rate in interstate commerce subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) whenever: (1) FERC determines that the pertinent rate, charge, or classification is unduly preferential, unjust, or unreasonable, or the Secretary determines that it exceeds significantly the marginal cost of electric energy production; and (2) the continued existence of such rate, charge, or classification threatens public health and safety or regional economy, and FERC has otherwise failed to act to improve the situation. Authorizes the Governor of any State within such affected region to waive application of the price limitation. Exempts from the interim price limitations of this Act sales of electric energy generated by certain small power production or cogeneration facilities under the purview of the Public Utility Regulatory Policies Act of 1978.

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**Bill Number:** H.R. 264

**Short Title:** (No short title)

**Introduced:** January 30, 2001

**Sponsor:** Congressman Peter DeFazio (D-OR)

**Purpose:** To require the Federal Energy Regulatory Commission (FERC) to return to the cost-based regulation of wholesale interstate sales of electricity, and for other purposes.

**Summary:** Instructs the Federal Energy Regulatory Commission to regulate rates and charges for (wholesale interstate) electric energy sales within its jurisdiction on the same (cost) basis as they were regulated prior to issuance of specified FERC orders on April 24, 1996.

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**Bill Number:** H.R. 268

**Short Title:** *California Electricity Consumers Relief Act of 2001*

**Introduced:** January 30, 2001

**Sponsor:** Congressman Bob Filner (D-CA)

**Purpose:** To require the Federal Energy Regulatory Commission to order refunds of unjust, unreasonable, unduly discriminatory or preferential rates or charges for electricity, and to establish cost-based rates for electricity sold at wholesale in the Western Systems Coordinating Council. (House version of S. 80)

**Summary:** Amends the Federal Power Act to direct the Federal Energy Regulatory Commission (FERC) to: (1) order a refund (with interest) of that portion of electricity rates or charges that FERC finds to be in excess of market-based rates that are just, reasonable, and neither unduly discriminatory nor preferential; and (2) issue an order establishing the maximum price for electricity sold at wholesale in the Western System Coordinating Council after June 1, 2000, if it determines that rates charged for wholesale sales of electricity are unjust and unreasonable under the Federal Power Act. Prescribes guidelines governing: (1) FERC response to certain State petitions regarding such unjust rates; (2) FERC establishment of maximum electricity prices; (3) mandatory refunds of prices paid in excess of such maximum; and (4) civil penalties for violations of this Act.

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**Bill Number:** H.R. 312

**Short Title:** *National Electricity Reliability Act*

**Introduced:** January 30, 2001

**Sponsor:** Congressman Albert Wynn (D-MD)

**Purpose:** To amend the Federal Power Act to provide for the reliability of the electric power transmission system in the United States, and for other purposes.

**Summary:** Amends the Federal Power Act to provide for the establishment of mandatory reliability standards governing the reliable operation of the bulk-power system. Grants the Federal Energy Regulatory Corporation (FERC) approval and enforcement jurisdiction regarding compliance by: (1) the Electric Reliability Organization (Organization, approved by FERC pursuant to this Act); (2) all Affiliated Regional Reliability Entities; (3) all system operators; and (4) all users of the bulk-power system. Mandates that: (1) the Organization act to gain recognition in Canada and Mexico;

countries to effectuate compliance with Organization standards, and to promote the Organization's mission. Requires every system operator to be a member of the electric reliability organization and of any Affiliated Regional Reliability Entity pertinent to the region in which the system operator either operates, or is responsible for the operation of a bulk-power system facility. Grants the Organization disciplinary and enforcement powers. Provides for the assessment and recovery of implementation and enforcement costs incurred by the Organization and each Affiliated Regional Reliability Entity, respectively. Directs the Commission, upon the petition of two-thirds of the States within a region that have more than one-half of their electric load served within such region, to establish a regional advisory body to advise on: (1) the governance of an existing or proposed affiliated regional reliability entity; and (2) whether a proposed organization standard, entity rule, variance, or assessment fee is just, reasonable, not unduly discriminatory or preferential, and in the public interest.

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**Bill Number:** H.R. 381

**Short Title:** *Ratepayer Protection Act*

**Introduced:** January 31, 2001

**Sponsor:** Congressman Cliff Stearns (R-FL)

**Purpose:** To prospectively repeal Section 210 of the Public Utility Regulatory Policies Act of 1978.

**Summary:** Declares that no electric utility shall be required to enter into a new contract or obligation to purchase or sell electric energy or capacity pursuant to the Public Utility Regulatory Policies Act of 1978 governing cogeneration and small power production. Directs the Federal Energy Regulatory Commission to promulgate and enforce regulations to assure that no utility shall be required to absorb the costs associated with electric energy or capacity purchases from a qualifying facility executed before this Act's enactment date, and governed by such provisions (thus assuring such utilities recovery of all costs associated with such purchases). Provides that such regulations shall be treated as a rule enforceable under the Federal Power Act.

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**Bill Number:** H.R. 416

**Short Title:** *Environmental Priorities Act of 2001*

**Introduced:** February 6, 2001

**Sponsor:** Congressman Robert Andrews (D-NJ)

**Purpose:** To establish a Fund for Environmental Priorities to be funded by a portion of the consumer savings resulting from retail electricity choice, and for other purposes.

**Summary:** Requires providers of retail electric services to contribute to the fiscal agent for the Environmental Priorities Board (established by this Act) ten percent of the total consumer savings for the consumer sector for that calendar year. Requires the Administrator of the Environmental Protection Agency to establish a National Environmental Priorities Board to establish regulations governing creation of an Environmental Priorities Program. Authorizes States in which retail electric service choice has been established for any consumer sector to establish public purpose programs and apply for matching funding to support environmental priorities programs.

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**Bill Number:** H.R. 443

**Short Title:** *Public Oversight of Wholesale Electric Rates (POWER) Act*

**Introduced:** February 6, 2001

**Sponsor:** Congressman Bob Filner (D-CA)

**Purpose:** To amend the Internal Revenue Code of 1986 to impose a windfall profit tax on wholesale electric energy sold in the Western System Coordinating Council.

**Summary:** Amends the Internal Revenue Code to impose an excise tax on the windfall profit from the sale of electricity at wholesale in the Western System Coordinating Council. Sets the tax at 100 percent of the windfall profit.

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**Bill Number:** H.R. 704

**Short Title:** *Energy Time Adjustment Authorization Act*

**Introduced:** February 14, 2001

**Sponsor:** Congressman Brad Sherman (D-CA)

**Purpose:** To permit the States in the Pacific time zone to temporarily adjust the standard time in response to the energy crisis.

**Summary:** States that if the legislature of any of the States of California, Nevada, Oregon, or Washington finds that adjusting the standard time is necessary to help alleviate the energy crisis, then it may make any adjustments to the standard time, on a statewide basis, as it considers necessary, through December 31, 2003. Authorizes the legislature of any such State to make the same adjustment made by any such designated sister State without first making the requisite statutory finding.

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**Bill Number:** H.R. 954

**Short Title:** *Home Generation Act*

**Introduced:** March 8, 2001

**Sponsor:** Congressman Jay Inslee (D-WA)

**Purpose:** To amend the Federal Power Act to promote energy independence and self-sufficiency by providing for the use of net metering by certain small electric energy generation systems.

**Summary:** Amends the Federal Power Act to mandate that: (1) each retail electric supplier make available an electric energy meter capable of net metering to certain retail customers that have installed an energy generation unit intended for net metering; and (2) rates, charges, and contract terms for electric energy sales to customer-generators be the same as those that would be applicable if the customer-generator did not own or operate a qualified generation unit and use a net metering system. Prescribes the manner in which such retail electric suppliers shall calculate the net energy

measurement and billing for a customer using a net metering system. Subjects qualified generation units and net metering systems to specified safety, performance, and reliability standards. Authorizes the Federal Energy Regulatory Commission (FERC) to: (1) adopt additional control and testing requirements for customer-generators necessary to protect public safety and system reliability; and (2) prohibit additional charges by electric suppliers and local distribution systems for equipment or services for safety or performance additional to those necessary to meet such standards. Sets a deadline for FERC to promulgate: (1) model standards for the physical connection between local distribution systems and qualified generation units and other specified electric generation units; and (2) regulations ensuring simplified contracts will be used for the interconnection of electric energy by electric energy transmission or distribution systems and generating facilities with a power production capacity of 250 kilowatts or less.

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**Bill Number:** H.R. 971

**Short Title:** (No short title)

**Introduced:** March 8, 2001

**Sponsor:** Congressman Greg Walden (R-OR)

**Purpose:** To require that payment be guaranteed whenever any supplier of electric energy is required to sell electric energy to a purchaser under the emergency authority of section 202(c) of the Federal Power Act, and for other purposes.

**Summary:** Amends the Federal Power Act to condition the emergency powers of the Federal Energy Regulatory Commission to order temporary delivery of electric energy upon a full guarantee that the appropriate Federal or State government will compensate or reimburse the supplier subject to such order.

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**Bill Number:** H.R. 979

**Short Title:** (No short title)

**Introduced:** March 13, 2001

**Sponsor:** Congressman Duncan Hunter (R-CA)

**Purpose:** To authorize the President and the Governor of a State to suspend certain environmental and siting requirements applicable to fossil fuel fired electric power plants to alleviate an electric power shortage that may present a threat to public health and safety, and for other purposes.

**Summary:** Authorizes the President to: (1) suspend certain environmental control and siting requirements relating to electric power generation from fossil fuel fired electric generating facilities whenever an emergency shortage of electric generation capacity threatens the public health and safety or economy of a State; and (2) delegate such suspension authority to the Governor of an affected State.

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**Bill Number:** H.R. 1045

**Short Title:** *Energy Self-Sufficiency Act for the 21<sup>st</sup> Century*

**Introduced:** March 15, 2001

**Sponsor:** Congresswoman Heather Wilson (R-NM)

**Purpose:** To lower energy costs to consumers, increase electric system reliability and provide environmental improvements, through the rapid deployment of distributed energy resources.

**Summary:** Requires a utility distribution company to interconnect its local utility distribution facilities with, and provide service to, a distributed generation facility, if the facility owner or operator: (1) complies with a final rule promulgated by the Federal Energy Regulatory Commission (FERC) that establishes safety, reliability, and power quality standards for such a facility; and (2) pays the just, reasonable, and non-discriminatory costs directly related to such interconnection and service. Requires FERC to establish an advisory commission to make recommendations regarding promulgation of such a rule. Amends the Internal Revenue Code to extend the energy tax credit to distributed energy resources property placed in service during the taxable year, including distributed power property and combined heat and power system property. Instructs the Secretary of Energy to implement an accelerated cooperative research and development program to ensure reliability, efficiency, and environmental responsibility of Distributed Energy Resources, including: (1) Advanced Energy Technologies and Systems Development; (2) Advanced Grid Reliability Technologies development; and (3) Technology Transfer and Education. Directs the Secretary to develop and submit to Congress a six-year research and development program plan.

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**Bill Number:** H.R. 1075

**Short Title:** (No short title)

**Introduced:** March 15, 2001

**Sponsor:** Congressman Duncan Hunter (R-CA)

**Purpose:** To allow any business or individual in any state experiencing a power emergency to operate any type of power generation available to ensure their economic stability.

**Summary:** Permits an individual or business located in a State experiencing a power emergency on any given day to operate any type of power generation available using any fuel available, to ensure the individual's or business' economic stability. Requires any person or State official, upon the request of either the Secretary of Energy or the Federal Energy Regulatory Commission, to share information regarding the available supply of or the projected demand for electricity. Prohibits emissions attributable to generation permitted solely because of such power emergency from being taken into account for purposes of determining the attainment or nonattainment status of an area under the Clean Air Act.

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**Bill Number:** H.R. 1101

**Short Title:** *Public Utility Holding Company Act of 2001*

**Introduced:** March 20, 2001

**Sponsor:** Congressman Charles Pickering (R-MS)

**Purpose:** To repeal the Public Utility Holding Company Act of 1935, to enact the Public Utility Holding Company Act of 1999, and for other purposes.

**Summary:** Repeals the Public Utility Holding Company Act of 1935. Prescribes procedural guidelines for both Federal Energy Regulatory Commission (FERC) and State access to records of a holding company (including subsidiaries, associates, and affiliates) of a public utility or natural gas company. Instructs FERC to promulgate a final rule to exempt specified holding companies from such access requirements. Requires FERC to exempt any person or transaction from such access requirements if it finds that regulation of such person or transaction is irrelevant to the jurisdictional rates of a public utility or natural gas company. Retains the jurisdiction of FERC and State commissions to determine whether a public utility company or natural gas company may recover in rates any costs of affiliate transactions. Declares this Act inapplicable to: (1) the United States; (2) a State or its political subdivision; and (3) a foreign governmental authority not operating in the United States. Grants FERC certain Federal Power Act enforcement powers. Amends the Federal Power Act to repeal its conflict of jurisdiction guidelines.

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**Bill Number:** H.R. 1459

**Short Title:** *Electric Power Industry Tax Modernization Act*

**Introduced:** April 4, 2001

**Sponsor:** Congressman J.D. Hayworth (R-AZ)

**Purpose:** To amend the Internal Revenue Code of 1986 to improve electric reliability, enhance transmission infrastructure, and to facilitate access to the electric transmission grid.

**Summary:** Amends the Internal Revenue Code to permit a governmental unit to make an irrevocable election to terminate certain tax-exempt bond financing for electric output facilities. Sets forth provisions concerning independent transmission companies. Provides for the exclusion from gross income as contributions to capital of certain amounts received by electric utilities. Revises the special rules concerning the tax treatment of nuclear decommissioning costs.

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**Bill Number:** H.R. 1468

**Short Title:** *Energy Price and Economic Stability Act of 2001*

**Introduced:** April 4, 2001

**Sponsor:** Congressman Jay Inslee (D-WA)

**Purpose:** To direct the Federal Energy Regulatory Commission (FERC) to implement short-term cost-of-service based energy rates.

**Summary:** Instructs the Federal Energy Regulatory Commission to establish cost-of-service-based rates for electric energy (unless generated by a new generation facility) that is sold at wholesale, through April 30, 2003, for use in the area covered by the Western Systems Coordinating Council of the North American Electric Reliability Council. Provides for State enforcement of this Act. Instructs FERC to order refunds of rates and charges in the area covered by the Coordinating Council if electric energy sales were not just and reasonable. Amends the Federal Power Act to prohibit any FERC order for emergency connection or exchange of facilities unless the person

subject to such order has been guaranteed full payment or reimbursement by either the Federal or State government.

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**Bill Number:** H.R. 1601

**Short Title:** *Rural Electric Tax Equity Act*

**Introduced:** April 26, 2001

**Sponsor:** Congressman Scott McInnis (R-CO)

**Purpose:** To amend the Internal Revenue Code of 1986 to facilitate electric cooperative participation in a competitive electric power industry.

**Summary:** Amends the Internal Revenue Code to permit an exempt mutual or electric cooperative to exclude from income certain prepayments of any loan, debt, or obligation made, insured, or guaranteed under the Rural Electrification Act of 1936. Adds rules concerning the treatment of certain amounts received by taxable electric cooperatives.

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**Bill Number:** H.R. 1647

**Short Title:** *The Electricity Emergency Relief Act*

**Introduced:** May 1, 2001

**Sponsor:** Congressman Joe Barton (R-TX)

**Purpose:** To provide for electricity emergencies.

**Summary:** Directs the Federal Energy Regulatory Commission (FERC) to: (1) establish a clearinghouse system to facilitate agreements between wholesale sellers of electric energy and wholesale purchasers willing to forego temporarily electric energy purchases to which they are entitled; (2) implement a program that authorizes any electric consumer of any electric utility within the Western Systems to sell at market prices an amount of electric load the consumer is willing to forego; (3) study electric power transmission congestion jointly with the Secretary of Energy; and (4) develop a plan to relieve constraints that reduce the efficiency of electric power transmission, including Canadian and Mexican electric transmission systems. Authorizes the Administrator of the Western Area Power Administration System to expand its transmission system to remove the PATH 15 constraint. Establishes an Office of Tribal Energy within the Department of Energy. Sets guidelines for either a qualifying small power production facility or cogeneration facility suspension of electric energy due to nonpayment. Instructs FERC to promulgate a standard article to permit increased generation at licensed hydroelectric facilities. Permits, upon request of certain State Governors: (1) the Administrator of the Bonneville Power Administration to authorize maximized electric generation at hydropower facilities providing power to the Administration; (2) the Administrator of the Environmental Protection Agency to waive Clean Air Act requirements pertaining to oxides of nitrogen for new generation units; and (3) the Secretary to authorize a qualified Federal electric generation facility to generate electric energy for consumption or for sales for local State distribution. Authorizes a State Governor, on any high electricity emergency day, to waive Clean Air Act emission limitations. Provides for a regional transmission organization for the region covered by the Western Systems Coordinating Council.

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**Bill Number:** H.R. 1664

**Short Title:** *Emergency Power Production and Consumer Protection Act of 2001*

**Introduced:** May 1, 2001

**Sponsor:** Congressman Doug Ose (R-CA)

**Purpose:** To authorize the Secretary of the Interior or the Secretary of the Army to waive any restriction on operation of any of certain Bureau of Reclamation facilities or Corps of Engineers facilities, respectively, as necessary to address an emergency electric power shortage declared by the Governor of a State to which power from that facility can be transmitted.

**Summary:** Authorizes the Secretary of the Interior or the Secretary of the Army to waive the application of any Federal restriction on the operation of certain Bureau of Reclamation or Corps of Engineers facilities as necessary to address an emergency electric power shortage. Permits the issuance of a waiver only if a State's Governor declares such an emergency and requests the waiver. Exempts such a waiver from judicial review.

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**Bill Number:** H.R. 1874

**Short Title:** (No Short Title)

**Introduced:** May 16, 2001

**Sponsor:** Congressman Duncan Hunter (R-CA)

**Purpose:** To allow any business or individual in any State experiencing a power emergency to operate any type of power generation available to ensure their economic stability, and for other purposes.

**Summary:** Permits a State Governor, to ensure the individual's or business' economic stability, to authorize any individual or business located in a State experiencing a power emergency on any given day to operate any type of power generation available using any fuel available. Prohibits additional emissions attributable to generation permitted solely because of such power emergency from being taken into account for purposes of determining the attainment or nonattainment status of an area under the Clean Air Act. Prohibits the Administrator of the Environmental Protection Agency from disapproving the State implementation plan, or promulgating a Federal implementation plan for the State, if the applicable plan for such State would not have been disapproved, and no Federal implementation plan promulgations would have been made, in the absence of such additional emissions. Prohibits any judicial stay or injunctions against the Administrator or the State of California regarding any additional emissions attributable to electric power generation permitted solely by reason of this Act.

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**Bill Number:** H.R. 1941

**Short Title:** *Electric Refund Fairness Act of 2001*

**Introduced:** May 22, 2001

**Sponsor:** Congressman Doug Ose (R-CA)

**Purpose:** To amend the Federal Power Act to provide the Federal Energy Regulatory Commission with authority to order certain refunds of electric rates, and for other purposes.

**Summary:** Amends the Federal Power Act with respect to Federal Energy Regulatory Commission (FERC) power to fix a refund effective date. Repeals the current range of dates for such an effective date to mandate that such date be: (1) the date the complaint is filed, in the case of a proceeding instituted on complaint; or (2) the date of publication by FERC of notice of its intention to initiate such a proceeding, in the case of a proceeding instituted by FERC upon its own motion. Requires certain refunds ordered by FERC to include any appropriate penalties as well as interest.

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**Bill Number:** H.R. 1974

**Short Title:** (No Short Title)

**Introduced:** May 23, 2001

**Sponsor:** Congressman Doug Ose (R-CA)

**Purpose:** To amend the Federal Power Act to provide the Federal Energy Regulatory Commission with authority to order certain refunds of electric rates, to require the Commission to expand its market mitigation plan, and to provide the Secretary of Energy with authority to revoke the market mitigation plan under certain circumstances, and for other purposes.

**Summary:** Instructs the Federal Energy Regulatory Commission (FERC) to issue orders which make applicable to all interstate public utility electric energy sales in the western energy market a specified State of California market monitoring and mitigation plan that is based upon competitive bids to replicate competitive pricing. Authorizes termination of such plan if the Secretary of Energy determines that it results in decreased supply or increased demand for electric energy within the territory encompassed by the Western States Coordinating Council. Directs FERC to require a vendor of bundled natural gas transported into the State of California to disclose that portion of the sale price attributable to: (1) the price paid by the seller for such gas; and (2) the price paid for transportation of the gas. Precludes FERC and the Secretary from requiring sales of electric energy or natural gas in any State in the western region without a reasonable assurance of payment. Authorizes a State public utility commission in the western energy market to prohibit electric energy sales outside the service area of the pertinent public utility if that would impair the ability of such utility to meet in-State demand. Amends the Federal Power Act to prescribe guidelines to accelerate the effective date of FERC-ordered wholesale rate refunds.

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**Bill Number:** H.R. 2204

**Short Title:** *Consumer Energy Commission Act of 2001*

**Introduced:** June 14, 2001

**Sponsor:** Congressman Bobby Rush (D-IL)

**Purpose:** To establish a Consumer Energy Commission to assess and provide recommendations regarding recent energy price spikes from the perspective of consumers.

**Summary:** Establishes the Consumer Energy Commission to study and report to Congress on significant price spikes in the following energy products during the ten years preceding the date of this Act: (1) electricity; (2) gasoline; (3) home heating oil; (4) natural gas; and (5) propane.

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**Bill Number:** H.R. 2274

**Short Title:** *Electricity Gouging Relief Act*

**Introduced:** June 21, 2001

**Sponsor:** Congresswoman Anna Eshoo (D-CA)

**Purpose:** To require the refund of unjust or unreasonable rates and charges for certain sales of electric energy after June 1, 2000, in the Western United States.

**Summary:** Instructs the Federal Energy Regulatory Commission to order a refund of unjust and unreasonable rates and charges by public utilities on sales of electric energy for use in the area covered by the Western Systems Coordinating Council of the North American Electric Reliability Council. Applies such refunds to charges paid between June 1, 2000, and the enactment of this Act. Authorizes State enforcement of this Act.

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**Bill Number:** H.R. 2587

**Short Title:** *Energy Advancement and Conservation Act of 2001*

**Introduced:** July 23, 2001

**Sponsor:** Congressman W. J. (Billy) Tauzin (R-LA)

**Purpose:** To enhance energy conservation, provide for security and diversity in the energy supply for the American people, and for other purposes.

**Summary:** Amends the Department of Energy Organization Act and the National Energy Conservation Policy Act (NECPA) to reauthorize Federal Energy Conservation Programs and revise requirements with respect to: (1) Federal energy savings performance contracts; (2) State energy conservation plans, including energy conservation programs for schools and hospitals, the Low-Income Home Energy Assistance program, and establishment of a High Performance Public Buildings grants program; (3) establishment of an Energy Star Program to promote energy efficient consumer products and buildings; and (4) energy-efficient vehicles. Establishes a Federal Energy Bank to make loans to Federal agencies to finance energy efficiency projects. Prescribes requirements for automobile fuel economy. Moves the Nuclear Waste Fund off-budget. Revises the Atomic Energy Act with respect to combined construction and operating licenses and depleted uranium hexafluoride. Authorizes the Secretary of Energy (Secretary) to use certain funds: (1) to implement cold standby status and plan hot restart for the Portsmouth Gaseous Diffusion Plant; and (2) for the Paducah Gaseous Diffusion Plant. Prohibits Federal commercial sales of uranium (with certain exceptions) until 2009. Amends the Federal Power Act to authorize alternative hydroelectric project conditions and fishway prescriptions. **National Electricity and Environmental Improvement Act** - Prescribes guidelines for a clean coal power production program that incorporates cost and performance goals and establishes a Department of Energy (DOE) clean coal power initiative. Amends the Internal Revenue Code to establish tax credits (refundable for specified organizations and governmental units) with respect to emission reductions and efficiency

improvements in existing coal-based electricity generation facilities and investment in and production from qualifying clean coal technology, including advanced technology. Directs the Administrator of the Environmental Protection Agency to commence a rulemaking to determine the need for modified regulations regarding high ozone season reformulated gasoline and gasoline blendstock requirements. Amends the Energy Policy Act of 1992 to prohibit the Secretary from establishing criteria or procedures governing renewable energy production incentives that effectively assigns a different priority to incentive payment applications on the basis of the energy source proposed. Directs the Secretaries of Transportation and of Energy to implement an accelerated cooperative research and development program to ensure the integrity of natural gas and hazardous liquid pipelines. Prohibits Federal approval of a certain pipeline route that would: (1) transport natural gas from lands within the Prudhoe Bay oil and gas lease area; and (2) traverse specified submerged lands.

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**Bill Number:** H.R. 2757

**Short Title:** (No Short Title)

**Introduced:** August 2, 2001

**Sponsor:** Congresswoman Jane Harman (D-CA)

**Purpose:** To provide for the refund of certain overcharges for electricity in the Western States, and for other purposes.

**Summary:** Instructs the Federal Energy Regulatory Commission to order the refund, with interest, of certain rates and charges associated with electric energy sales by public utilities between October 2, 2000, and June 20, 2001, that exceed just and reasonable rates as determined by the Commission. Restricts such refunds to sales of electric energy to regions encompassed by the Western Systems Coordinating Council of the North American Electric Reliability Council. Permits any affected State to bring an action in Federal District Court to enforce this Act.

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**Bill Number:** H.R. 3089

**Short Title:** *Renewable and Distributed Energy Net Metering Act*

**Introduced:** October 11, 2001

**Sponsor:** Congressman Lee Terry (R-NE)

**Purpose:** To amend the Federal Power Act to promote energy security, environmental protection, electricity price stability, and electric reliability by providing for the use of net metering by certain small electric energy generation systems, and for other purposes.

**Summary:** The summary has not been posted.

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