



# Mapping Electricity Policy

**Marilyn Showalter**

Executive Director

Power in the Public Interest

Feb 26, 2007, Wn DC [www.ppinet.org](http://www.ppinet.org)

[mshowalter@ppinet.org](mailto:mshowalter@ppinet.org)

*corrected*

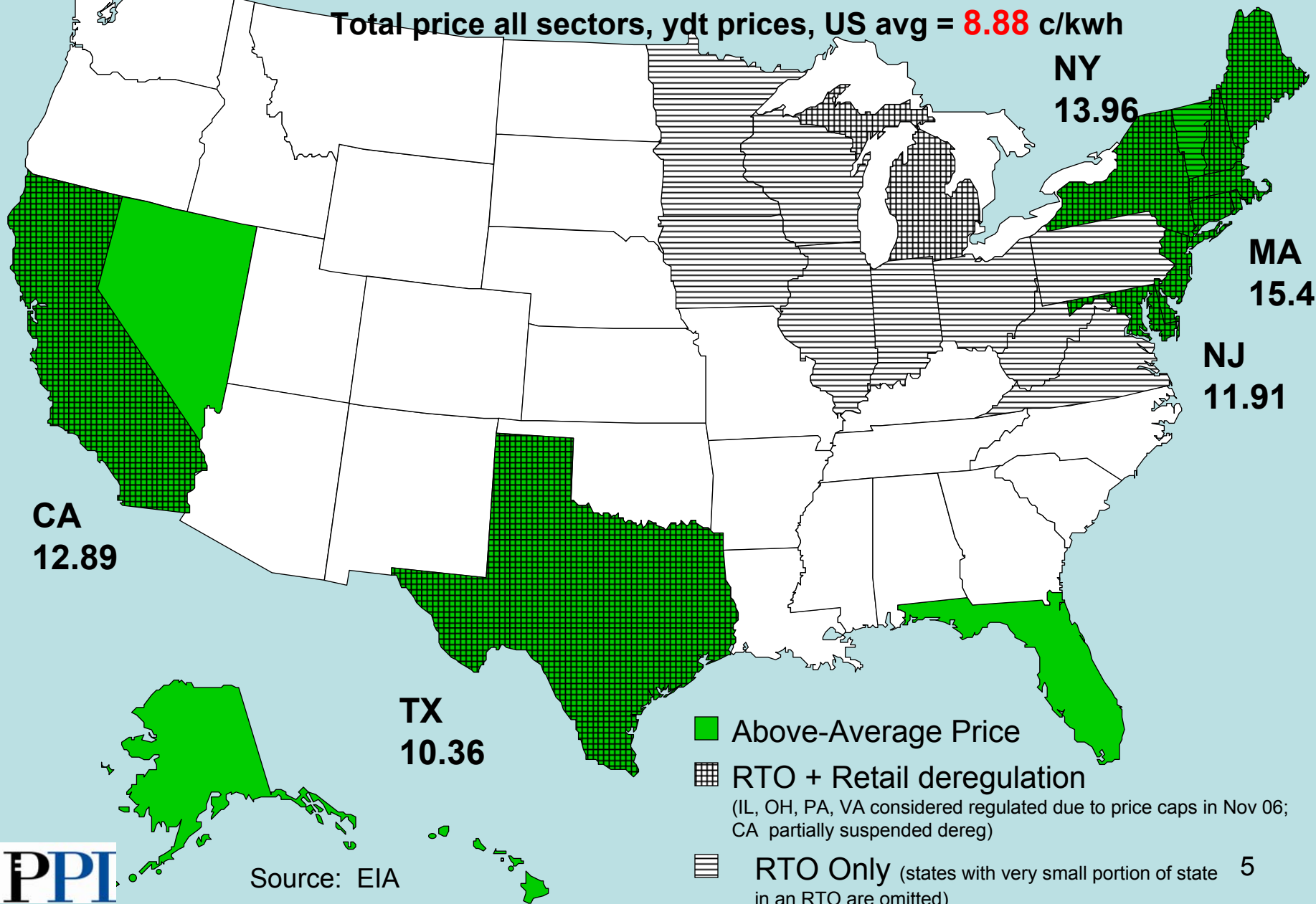






# Above-Average Retail Prices Nov 2006

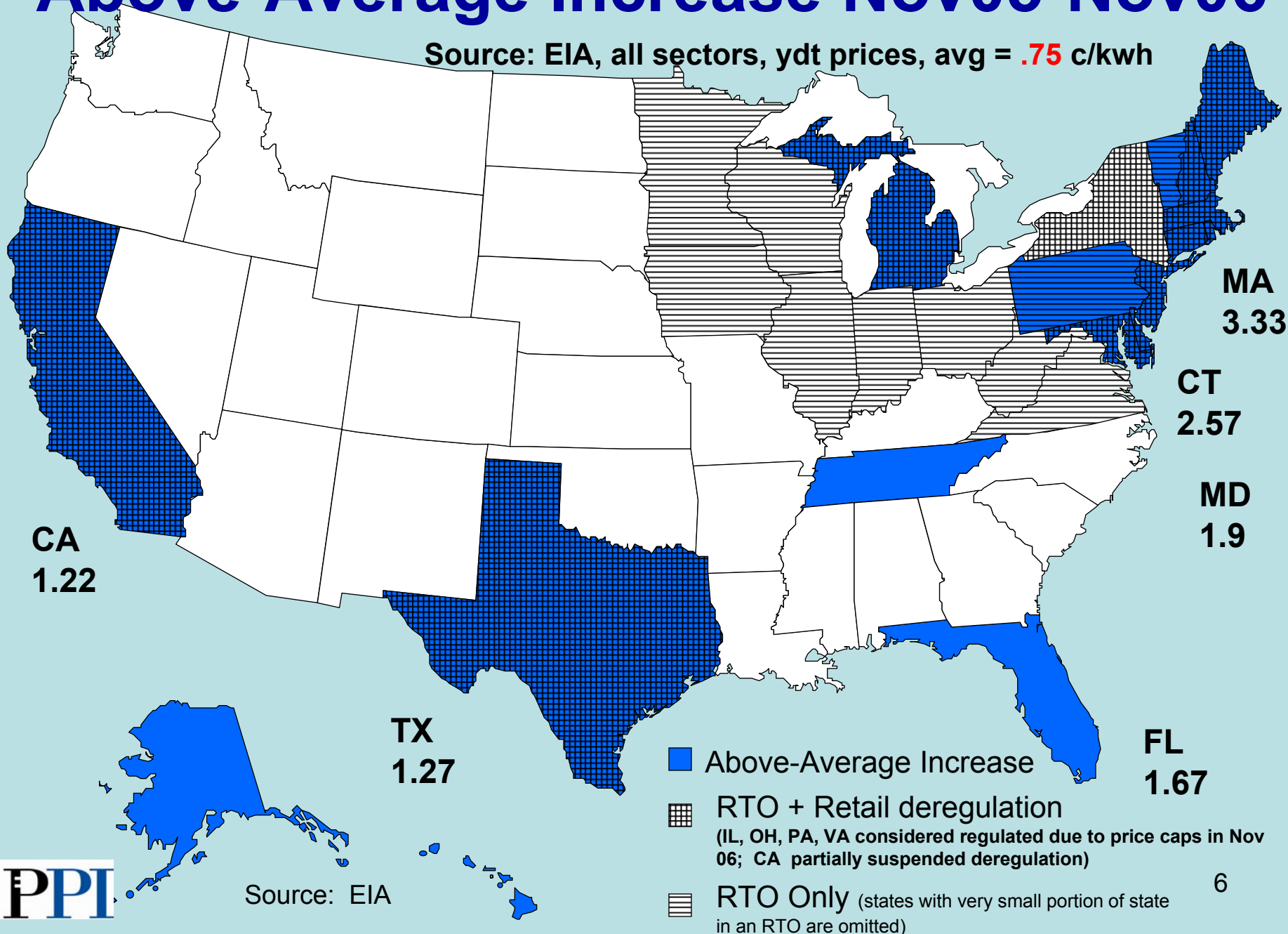
Total price all sectors, ydt prices, US avg = **8.88** c/kwh



Source: EIA

# Above-Average Increase Nov05-Nov06

Source: EIA, all sectors, ydt prices, avg = **.75** c/kwh

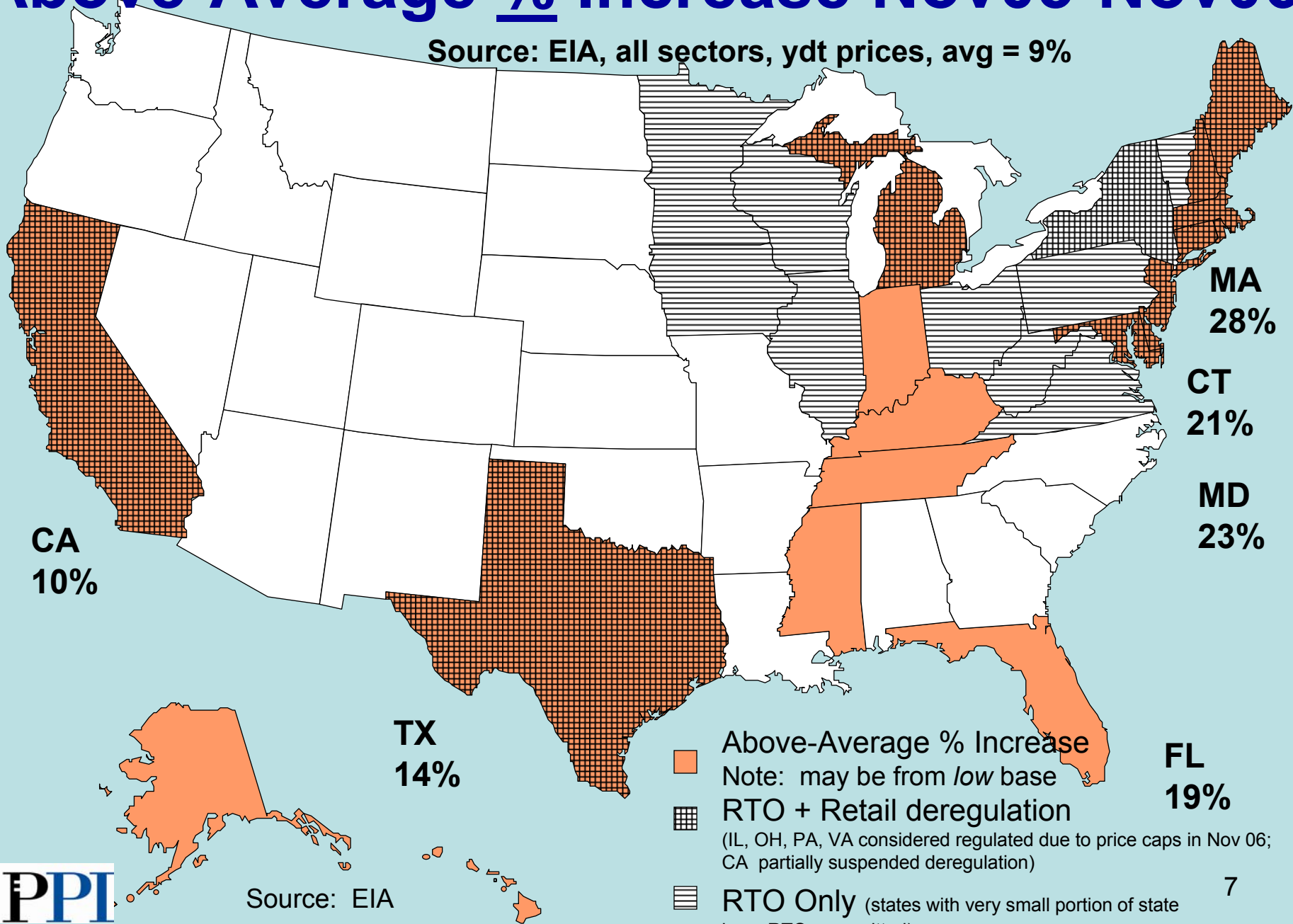


Source: EIA



# Above-Average % Increase Nov05-Nov06

Source: EIA, all sectors, ydt prices, avg = 9%



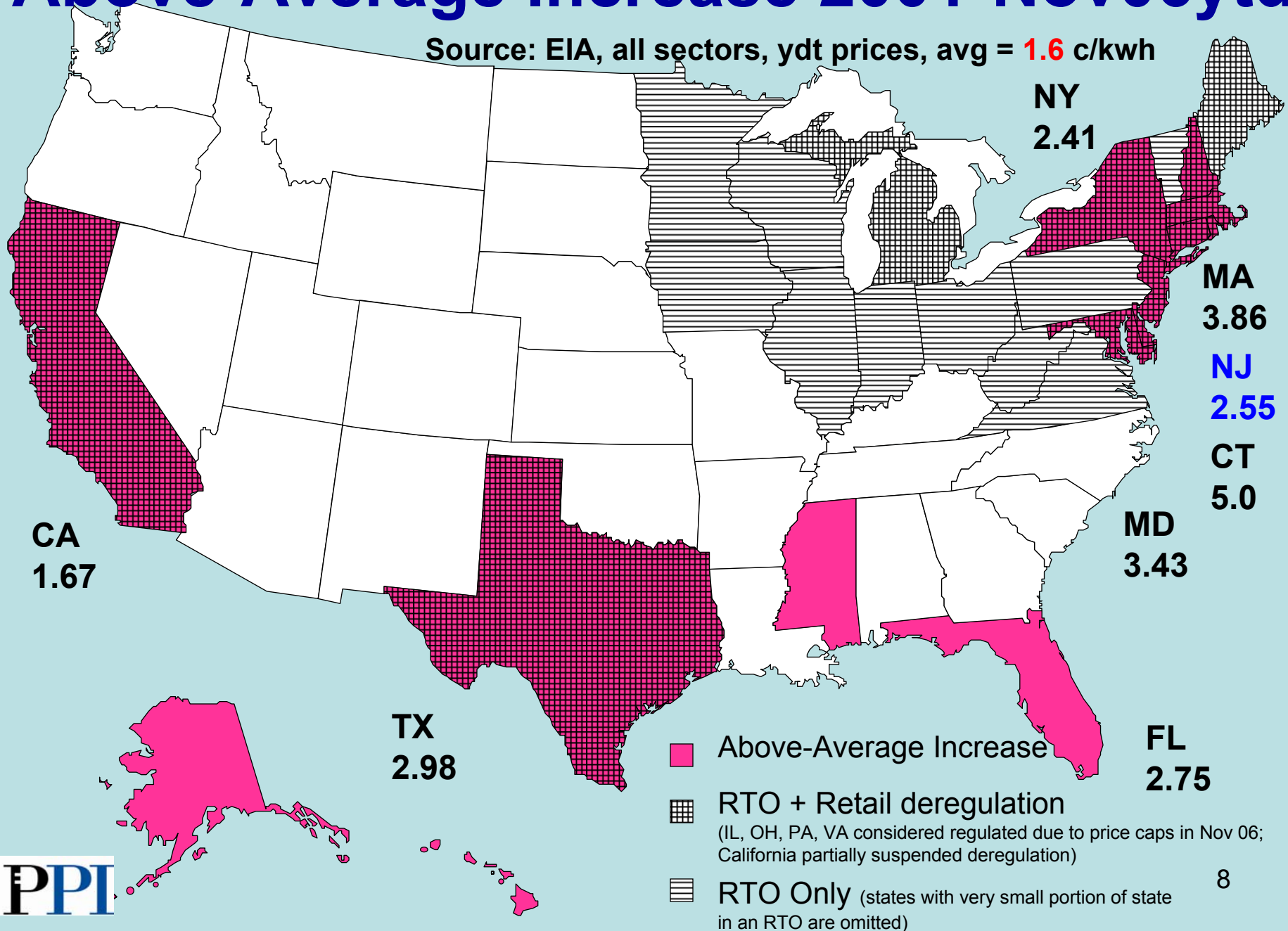
Above-Average % Increase  
 Note: may be from *low* base  
 RTO + Retail deregulation  
 (IL, OH, PA, VA considered regulated due to price caps in Nov 06; CA partially suspended deregulation)  
 RTO Only (states with very small portion of state in an RTO are omitted)



Source: EIA

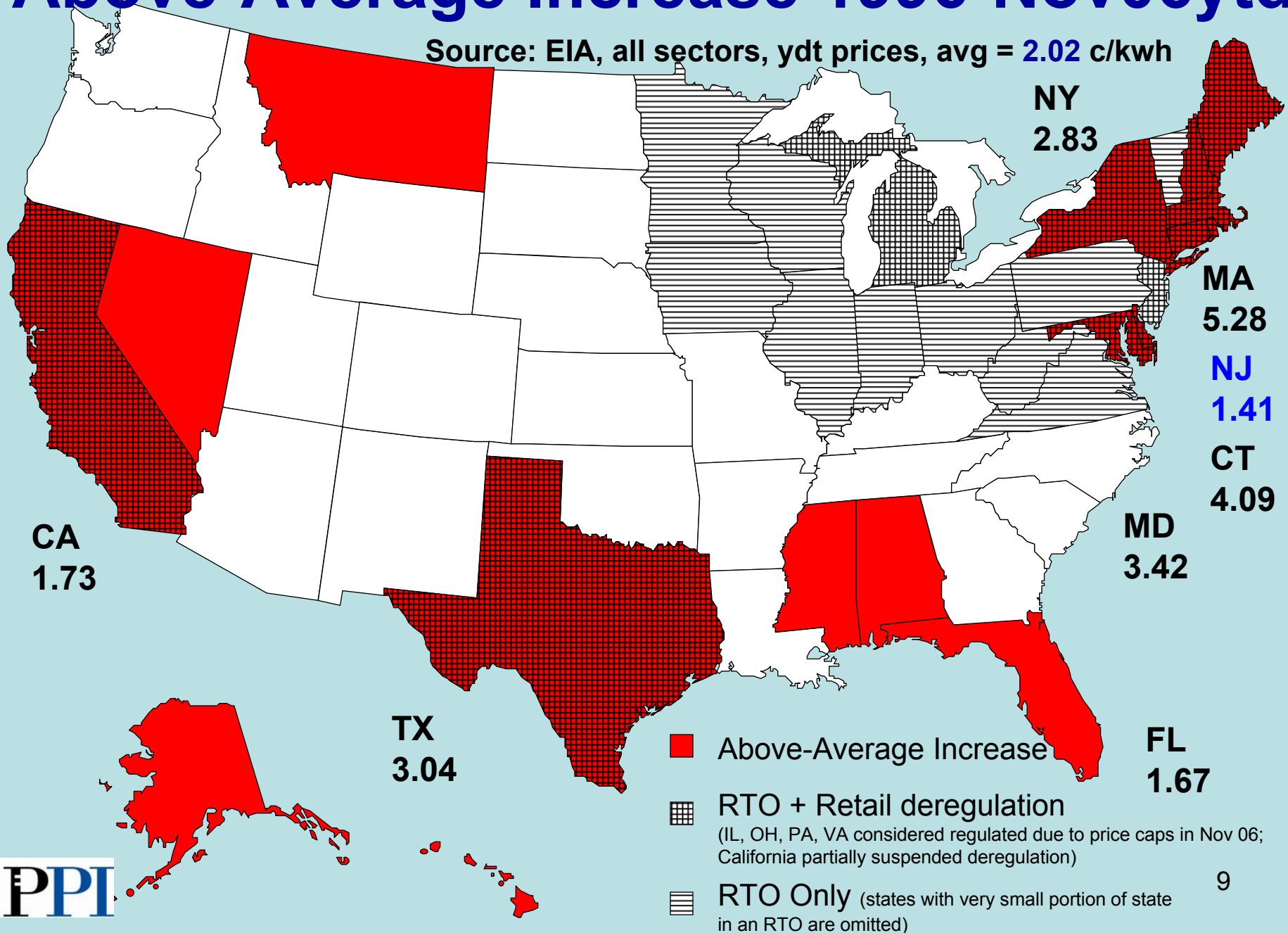
# Above-Average Increase 2001-Nov06ytd

Source: EIA, all sectors, ydt prices, avg = 1.6 c/kwh

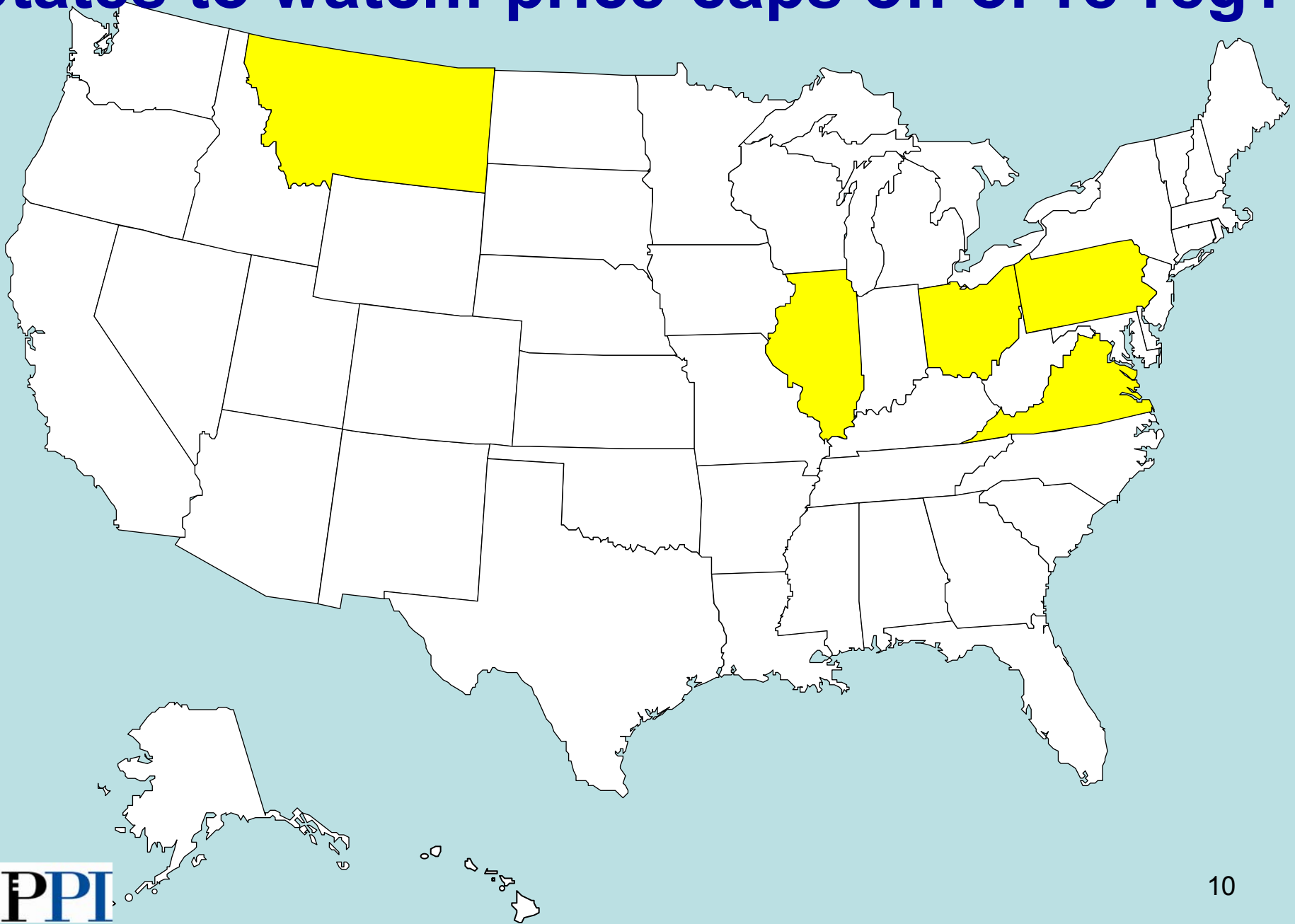


# Above-Average Increase 1996-Nov06ytd

Source: EIA, all sectors, ydt prices, avg = 2.02 c/kwh



# States to watch: price-caps off or re-reg?

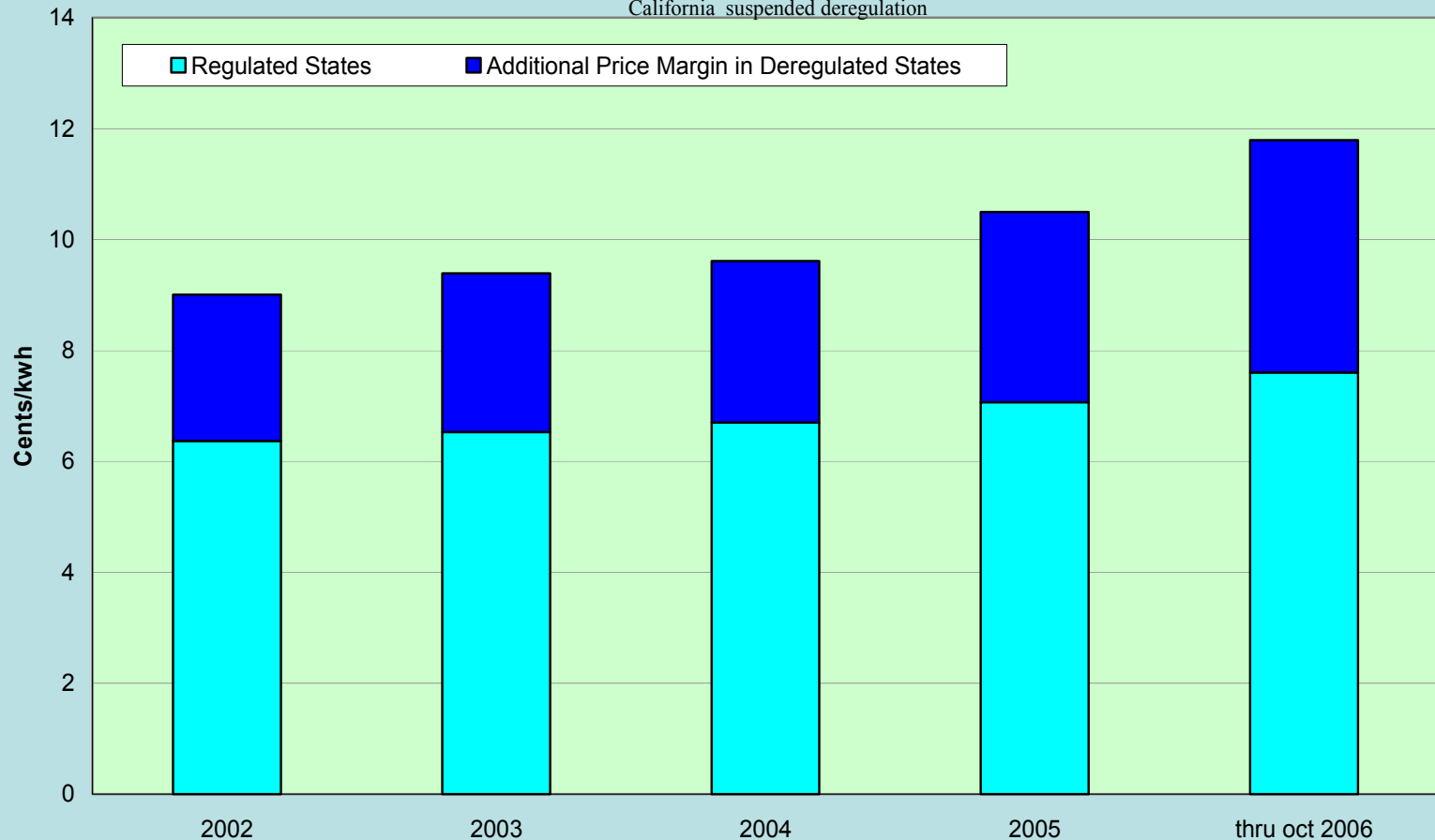


# Deregulated states started with higher prices that grew even faster over last 5 years

## Total Electricity Rates Regulated States vs Deregulated States

Note: IL, OH, PA, VA are included in regulated states, due to price caps. Deregulated states include CA, CT, DC, DE, MA, MD, ME, MI, NH, NJ, RI, TX

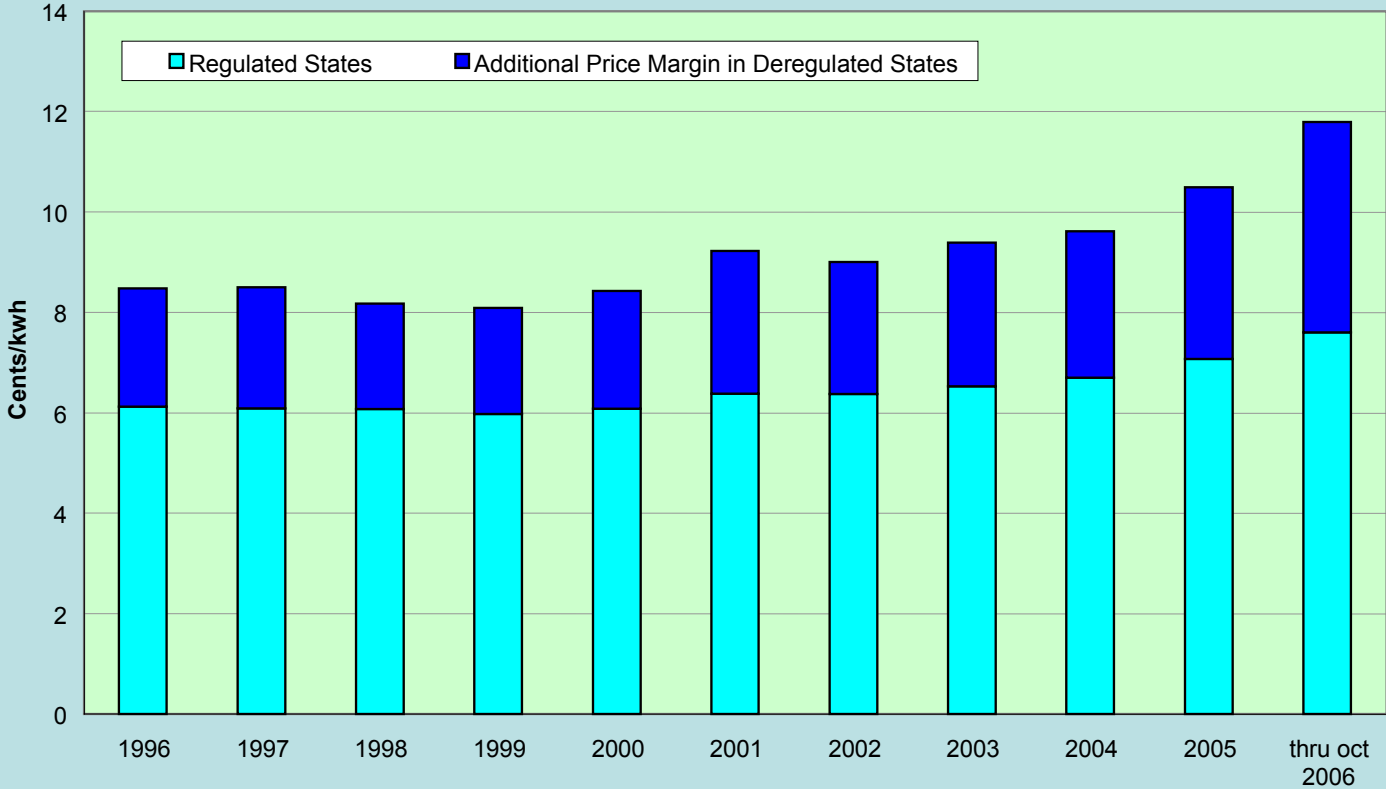
California suspended deregulation



# Deregulated states started with higher prices that grew even faster over last 10 years

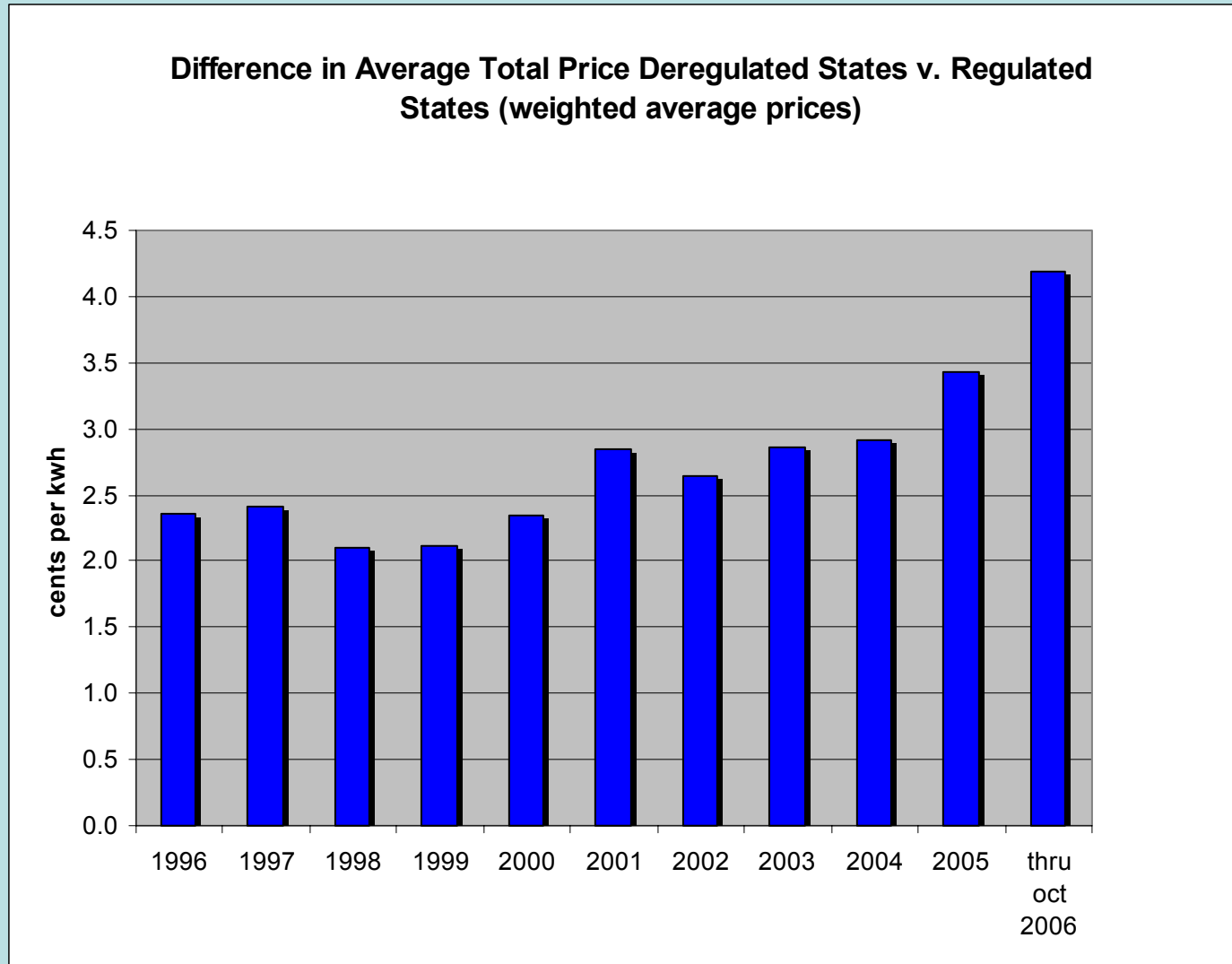
**Total Electricity Rates  
Regulated States vs Deregulated States**

Note: IL, OH, PA, VA are included in regulated states, due to price caps. Deregulated states include CA, CT, DC, DE, MA, MD, ME, MI, NH, NJ, RI, TX; California partially suspended deregulation

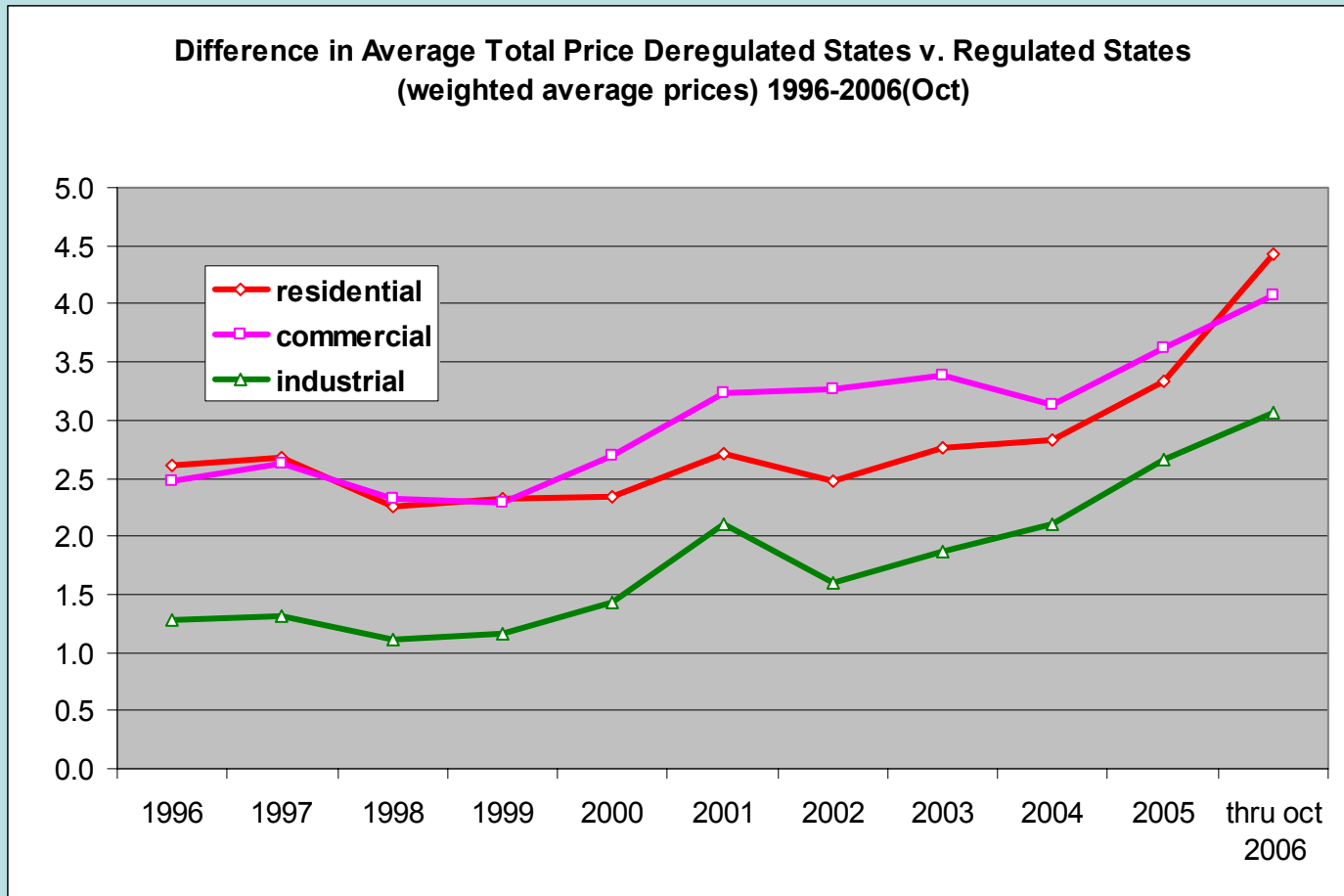


Source: Energy Information Agency

**The gap between deregulated and regulated prices grew by 1.55 c/kwh (79%) over five years and by 1.83 c/kwh (59%) over ten years**



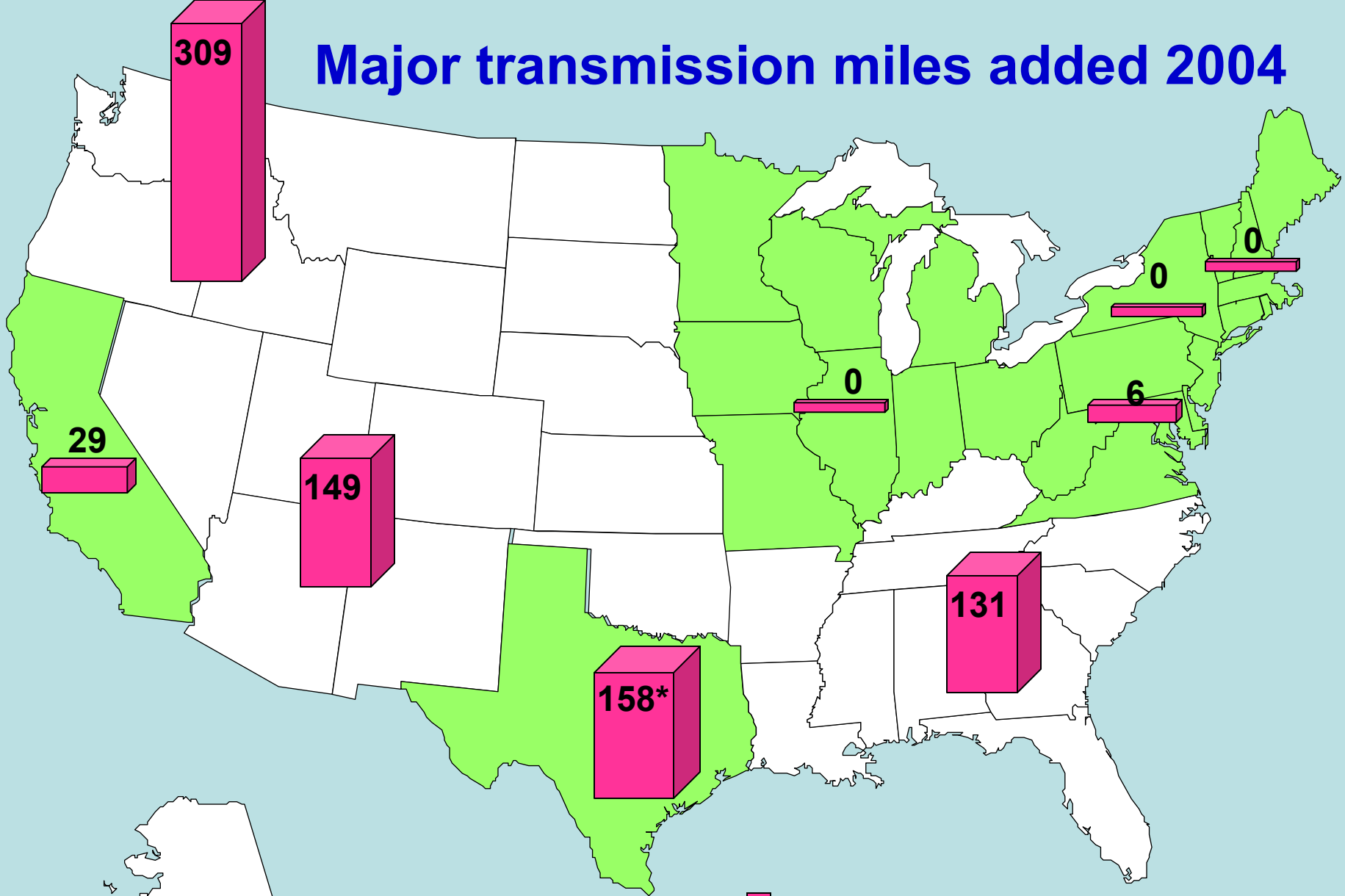
# All sectors have felt more-rapid increase in deregulated states



# Definitive “causation” requires more data and more analysis

- Timing of deregulatory moves
- Differences in deregulatory measures
- Composition of fuel supply
- Variance in load growth
- Variance in temperatures (degree days)
- Interaction of regional and state rules
- Shifting boundaries of RTOs
- Lag time in data
- Lack of data

# Major transmission miles added 2004



■ Major Transmission Miles Added 2004

■ States with RTOs

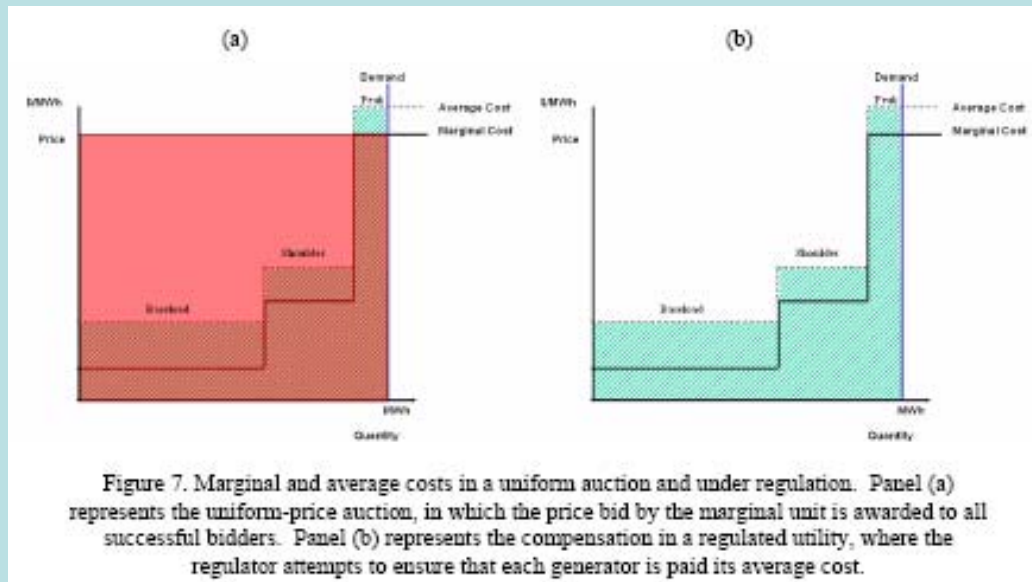
(majority of state in RTO)

\*estimated



Source: FERC "State of the Markets 2004"

# The “dark spread”

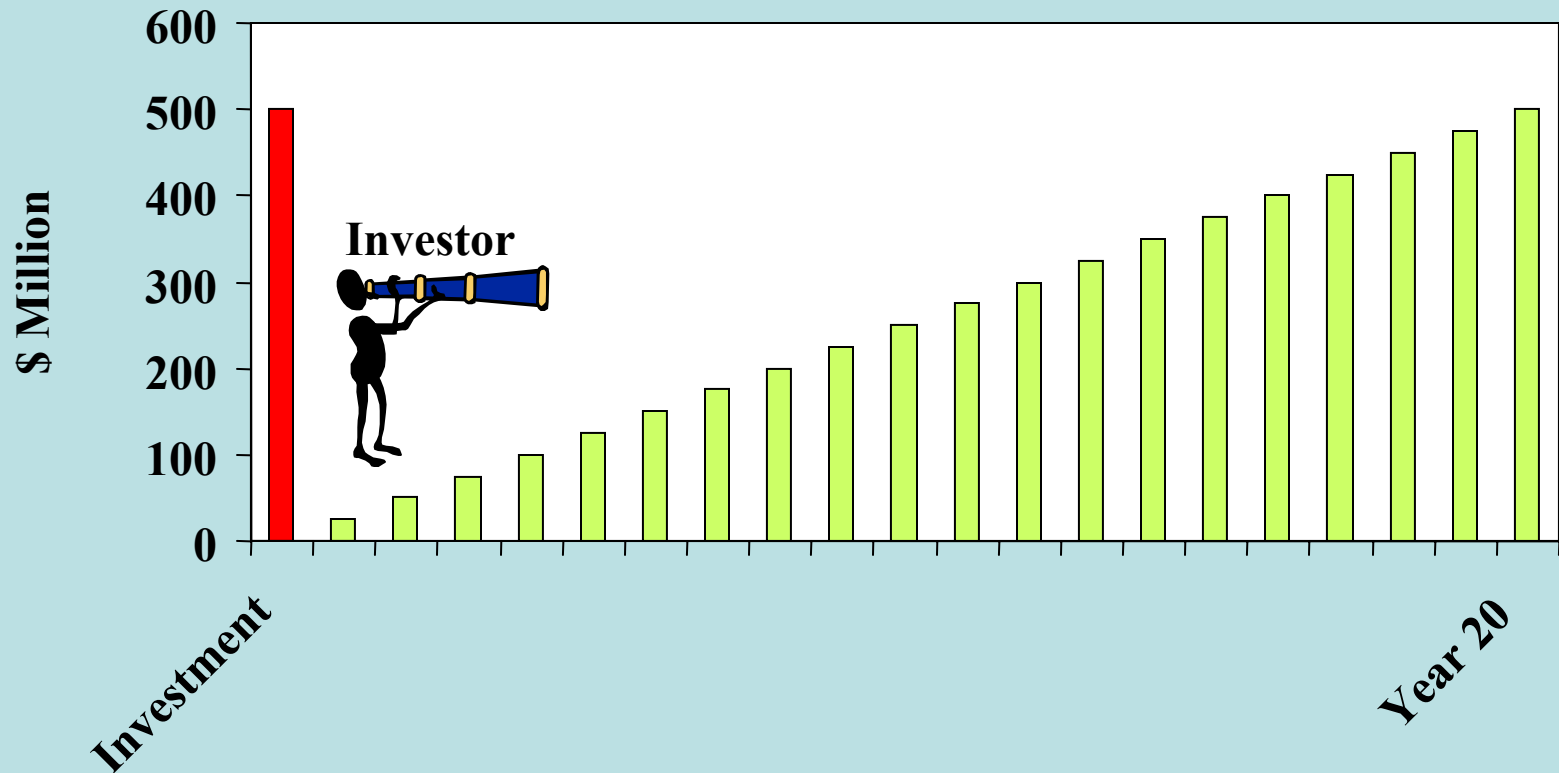


From: Blumsack et al, “Comments on Wholesale and Retail Electricity Competition,” 2006 p. 12

# Who will invest? Why?

## Under Traditional Regulation

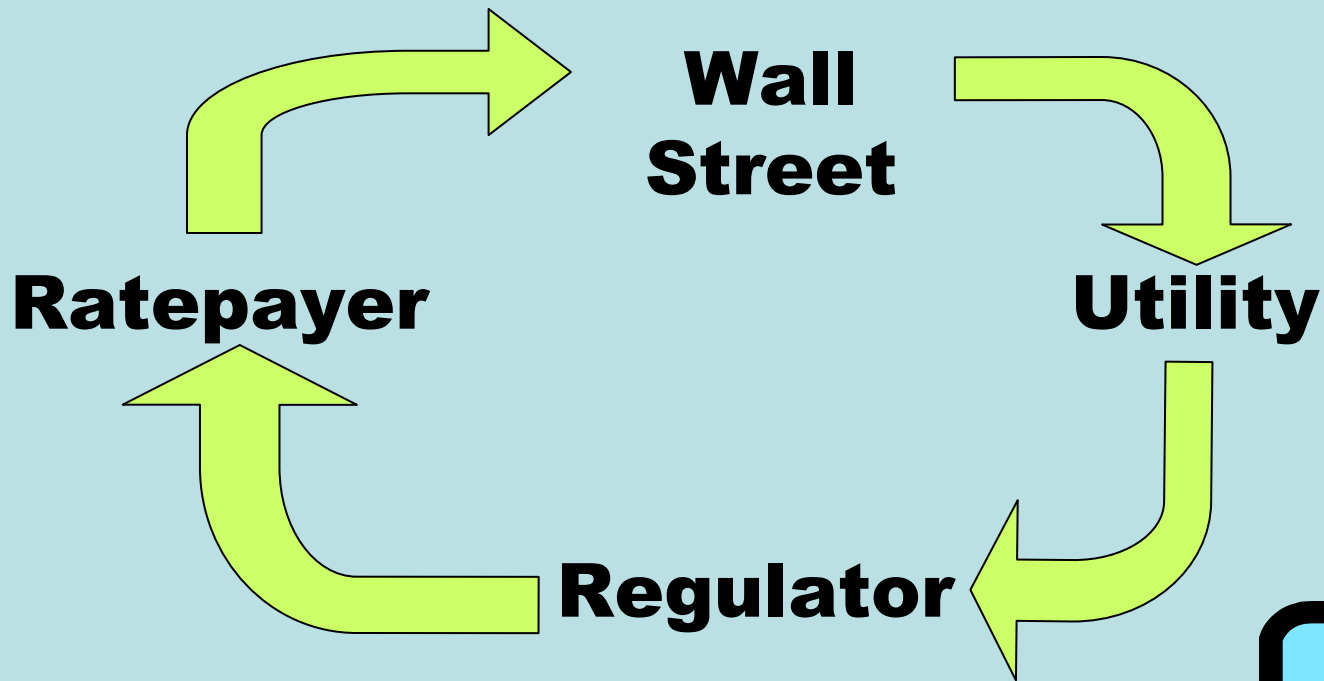
*Slow and Steady – Low Investment Risk*



Power Plant Investment Recovered Over 20 Years

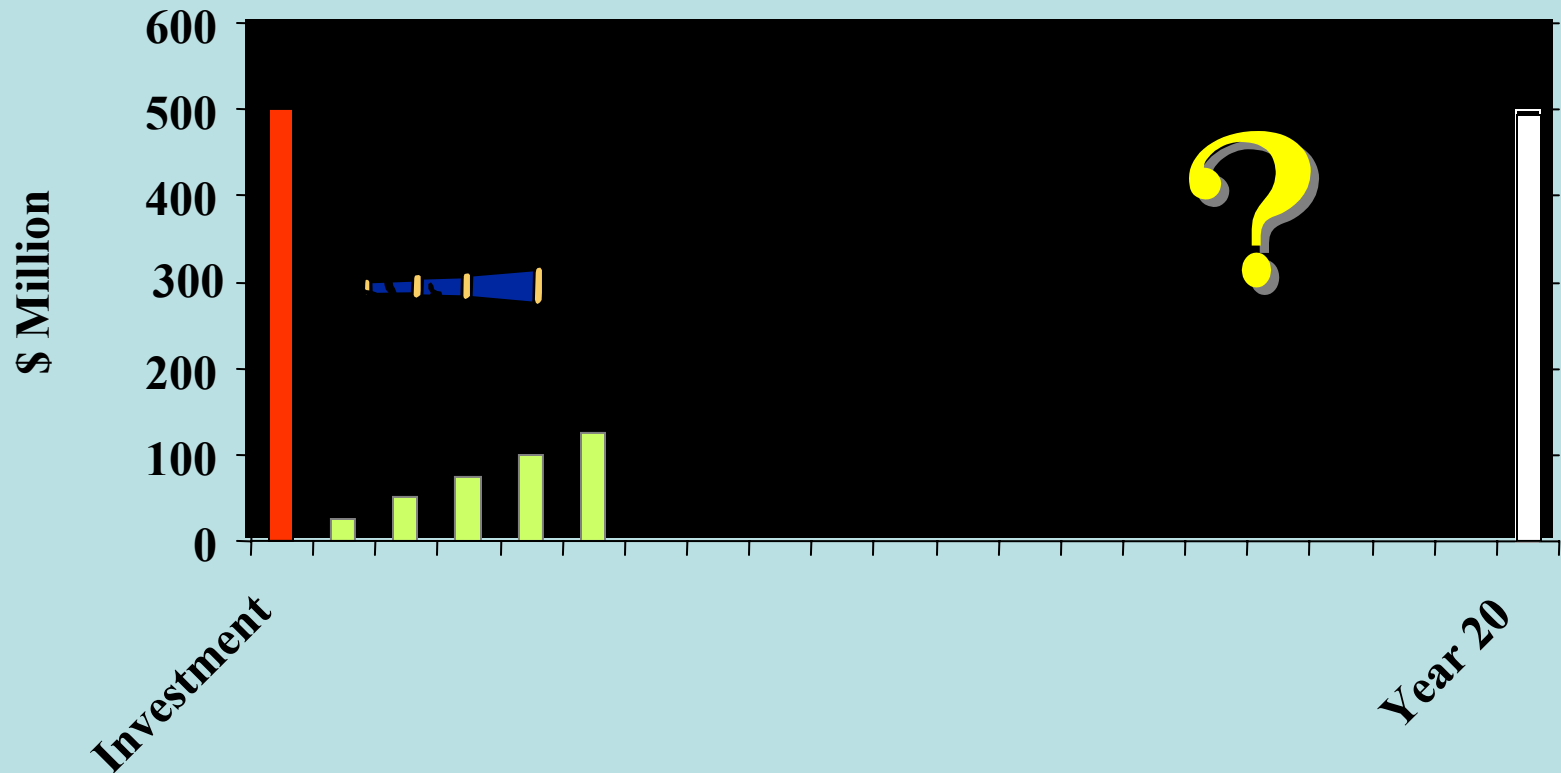
# Traditional Regulation

Financial Accountability  
Political Accountability



# ***Who Will Invest? Why?***

**With Competition/Customer Choice**  
*Uncertain Recovery Increases Risk & Cost*

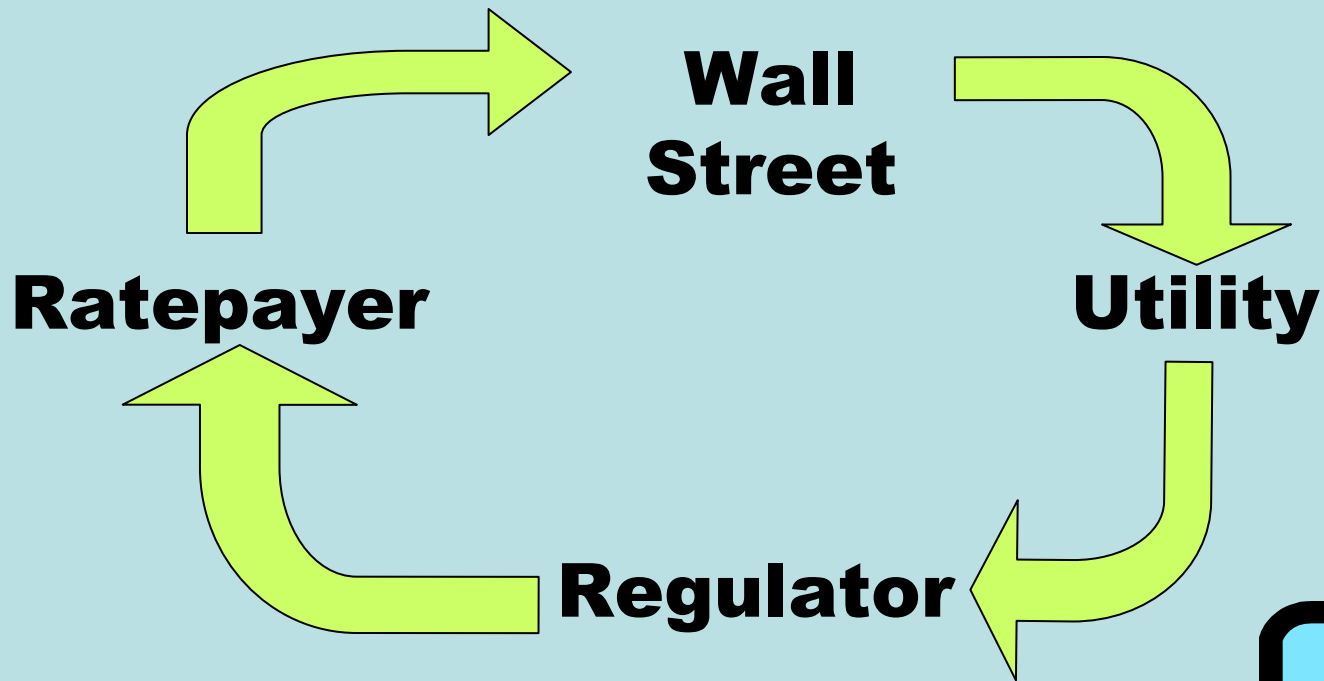


# What to do?

- If traditionally regulated, stay put. For others:
- Restore/enforce obligation to regulate in the public interest
- Require/enforce obligation to find comparative benefit of competitive v cost-based choices
- Measure net benefits to end-user, over time re:
  - Reliability
  - Price
  - Sustainability
  - Accountability

# Traditional Regulation

Financial Accountability  
Political Accountability





# Marilyn Showalter

Marilyn Showalter is Executive Director of ***Power in the Public Interest***, which promotes state, regional, and federal electricity policies that benefit consumers over the long term.

Prior to her current position, Ms. Showalter was Executive Director of the Public Power Council, in Portland, Oregon. She also served for six years as Chairwoman of the Washington Utilities and Transportation Commission, which regulates investor-owned utilities. She is also a former President of the National Association of Regulatory Utility Commissioners (NARUC).

A graduate of Harvard College and Harvard Law School, Ms. Showalter has served in a number of governmental capacities in the state of Washington, including Counsel to the Governor, Chief Clerk of the state House of Representatives, Counsel to the state House Appropriations Committee, and Senior Deputy Prosecuting Attorney. She has also practiced law privately and taught law-school courses.

## **Contact Information:**

Marilyn Showalter  
Executive Director  
Power in the Public Interest  
2601 Capitol Way South  
Olympia, WA 98501  
(360) 705-9980 (phone)  
(360) 259-1700 (mobile)  
[Marilyn.Showalter@ppinet.org](mailto:Marilyn.Showalter@ppinet.org)  
[www.ppinet.org](http://www.ppinet.org)

