

It's your money, your choice: Turning on energy competition in Pennsylvania

BY CHRIS WESTON

More than 10 years ago, Pennsylvania legislators and utility regulators had a vision for a competitive energy market in our state. It would be a market where consumers could pick from a variety of electricity products to suit their needs, instead of just one; a market in which investment would drive innovation and the development of energy efficiency technologies and renewable forms of generation; and a market in which each and every customer would see their value.

Today, Pennsylvania has an opportunity to reach this vision, and in doing so, return significant value to electricity customers across the state. In fact, First Energy Corporation (Met-Ed, Penn Power, Penelec) and Allegheny Power customers in the state could potentially receive a rebate estimated to be approximately \$150 to \$500 per account. The fact is, this money belongs to customers, not to the system that they paid to create.

To return this hard earned money to electricity customers, we must push ahead with the original vision for Pennsylvania's energy sector embodied in the Energy Competition Act.

The Public Utility Commission is currently considering a proposal from Direct Energy relating to First Energy

Corporation's proposed acquisition of Allegheny Power that would complete the Commonwealth's evolution to a robust competitive energy market. It calls for three things:

- Allow competitive energy retailers to better compete to serve customers. While competitive energy suppliers are now operating in markets across Pennsylvania, the First Energy Corporation and Allegheny Power utility companies plan to continue to play a dominant role as the default service provider after the merger. This type of service should be a "back stop", not a "first stop" for customers in a fully competitive market. As a result of this ongoing role and other measures which do not promote customer choice, only a small percentage of consumers are shopping for their electricity in the First Energy and Allegheny Power service territories.
- Allow competing suppliers to bid for the opportunity to serve customers' energy needs. This process could potentially generate between \$300 million to \$1 billion dollars in funds, which should be returned to these approximately 2 million electricity customers in Pennsylvania.

- Create a separate billing company that would be responsible for performing the functions that the utility does today, while also sending bills to electricity customers on behalf of their competitive supplier of choice. At present, competitive electricity suppliers in the State are able to sell their products, but in most cases they are simply a line on the bill from the local utility. The creation of a billing company would foster the development of innovative products and services to help customers manage their overall energy bill, while potentially translating into new jobs, or the retention of existing jobs, that would otherwise be lost to another state as a result of the proposed acquisition.

These actions would potentially preserve all of the important consumer protections in place, as well as programs that benefit low-income customers.

Due to the supportive efforts of legislators and utility regulators, Pennsylvania is on track to becoming one of North America's most competitive energy markets, recognized by energy sector experts for the commitment of its government officials to the creation of a robust competitive market.



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It's time for electricity customers in our state to have choice; it's time for private sector investment in generation and energy efficiency technologies as seen in other states; and, most importantly, it's time for the money that could be generated through Direct Energy's proposal to be returned to the people of Pennsylvania.

It's your money; your choice. Say yes to the completion of Pennsylvania's vision for energy competition. **CW**

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