Washington, D.C., March 1, 2007  COMPETE, a national coalition promoting the public interest benefits of competitive electricity markets, today praised a group of national environmental groups and renewable energy advocates for highlighting the benefits that competitive wholesale electricity markets provide in bringing more renewable energy and demand response into the nation’s energy resource portfolio.

In a February 26th letter to Federal Energy Regulatory Commission (FERC) Chairman Joseph T. Kelliher, 22 organizations and associations underscored the link between properly structured competitive wholesale markets and the “critical national goals related to fuel diversity, energy security, and environmental protection.”

“Well-structured regional wholesale electricity markets operated independently allow far greater amounts of renewable energy and demand response resources to be integrated into the nation’s electric grid,” the letter stated. “In fact, approximately 73 percent of installed wind capacity is now located in regions with such markets, while only 44 percent of wind energy potential is found in these areas.”


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“Recently, much of the media and policymaker attention devoted to competitive electricity markets has focused on prices, often to the exclusion of other, equally vital benefits of competition,” said former U.S. Senator Don Nickles, COMPETE’s chairman. “With this letter, we have a more complete picture of what competition means for our nation and for America’s electricity consumers: it means greater access to environmentally friendly energy resources and an enhanced customer ability to conserve energy, a conclusion echoed by many of the witnesses at this week’s FERC conference,” Senator Nickles added.

On February 27th, FERC held the first in a series of public conferences on competition in wholesale power markets. Among those testifying at the FERC conference were Angela Beehler, Director of Energy Regulation at Wal-Mart Stores, Inc. (a COMPETE member) and former FERC Commissioner and COMPETE counsel William L. Massey.

“Lee Scott, our CEO, announced a corporate objective of Wal-Mart ultimately getting 100% of its power from renewable resources,” Ms. Beehler said. “Wal-Mart believes that increased customer choice facilitates investment in renewable resources.”

“Looking to the future, policymakers at the federal and state levels are working in a bipartisan manner to promote renewable energy resources, technological innovation, energy efficiency, demand response and energy independence,” Commissioner Massey testified. “I can’t imagine these goals will be met in our nation without large, organized competitive electricity markets.”

The Beehler and Massey testimonies were consistent with the findings of a newly-released COMPETE issue brief, “Meeting the Challenges Ahead: Competitive Electricity Markets Foster America’s Energy Independence and Security.” Those findings include:

- Well-structured markets for electricity enhance our ability to deliver energy services without increasing our dependence on foreign sources of energy and without doing further damage to our environment;
- Competitive markets incentivize key stakeholders to find new and better ways to meet the challenging energy demands of a dynamic and growing economy without simply defaulting to the traditional approach of building more capacity;
- Competitive markets provide the proper signals and shift resource allocation decisions toward a leaner, and less carbon-intensive energy system;
- Competitive markets provide the only viable approach to creating the necessary information flows that will allow electricity suppliers, transmission system operators, and millions of end users to navigate collectively a transition to a new energy system.

A copy of the February 26 letter to Chairman Kelliher and the new COMPETE issue brief can be found at www.competecoalition.com.

COMPETE is a coalition of 150 electricity stakeholders representing all aspects of electricity generation, transmission, distribution, and consumption who support the continued evolution of competitive electricity markets for the benefit of consumers. For more information, please visit www.competecoalition.com

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