

ELCON *PRESS RELEASE*

FOR RELEASE: February 12, 2014

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Statement of John Anderson, President of the Electricity Consumers Resource Council (ELCON), in Response to the Joint Agreement Proposed by the Edison Electric Institute (EEI) and the Natural Resource Defense Council (NRDC), February 12, 2014

The agreement between the Edison Electric Institute and the Natural Resources Defense Council adopting policies that purport to protect consumers is interesting in that neither group is a consumer advocate. EEI, of course, represents providers of electricity whose members, quite simply, want to sell electricity. NRDC is an environmental organization, and consumer advocates know from experience that environmental advocates often have very different objectives than consumer advocates.

It remains to be seen whether the policies being proposed by EEI and NRDC will, in fact, benefit consumers. Large and small consumers have long been united in their opposition to decoupling, which seems to be the cornerstone of this agreement. Consumers are fearful that speculative spending by utilities to comply with policies that are not now in place and, in fact, may never be implemented can result in much higher costs for large and small electricity purchasers. We recommend that utilities spend prudently to meet the requirements, environmental and otherwise, that are in place right now so that consumers pay just and reasonable prices for power in today's world – and we believe state commissions already have that responsibility.

We believe that the objectives EEI and NRDC seek can be achieved through specific rate designs that do not absolve utilities of any and all risk as they adjust to changing market requirements. If utilities have no risk, it would logically follow that their rate of return should be adjusted accordingly.

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ELCON, established in 1976, is the national association of large industrial users of electricity from virtually every manufacturing sector. ELCON members seek a reliable supply of electricity at competitive prices and have long supported federal and state efforts to achieve that objective. More information about ELCON is available at ELCON's website, www.elcon.org.