

ELCON *PRESS* RELEASE

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Statement of John Hughes, Vice President, Technical Affairs, of the Electricity Consumers Resource Council (ELCON), in Response to FERC Chairman Norman Bay's Dissent Regarding PJM Capacity Markets, August 27, 2015

Three cheers for Norman Bay, maybe even four.

Finally we have a FERC Commissioner – in fact the FERC Chairman – who looked at capacity markets and saw that the Emperor has no clothes.

For several years, ELCON and other large and small end users have tried to convince regulators that capacity markets such as the one operated by PJM are too complex for their own good. They simply benefit generators at the expense of consumers. These markets are costly – Chairman Bay pegged that cost at over \$1 billion – but consumers saw no reliability benefits or, in fact, any other benefits.

While it is regrettable that this was a dissent, not a majority opinion, it is nevertheless noteworthy. Hopefully this will not be an isolated instance.

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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.