



COMPETE

Electricity Competition **IS** the Public Interest

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STATEMENT FROM FEDERICO PEÑA: CAP ON COMPETITION IN MICHIGAN UNFORTUNATE OUTCOME FOR CONSUMERS

*10% cap on electricity competition closes door to consumers seeking lower priced
electricity*

WASHINGTON, D.C. – As of last Friday, the state of Michigan hit a mandated 10 percent cap on consumer choice for electricity in the Consumers Energy service territory. The cap was imposed by a controversial 2008 Michigan state law at a time when alternative suppliers made up just 3 percent of the market. Former U.S. Energy Secretary Federico Peña, COMPETE's Co-Chair, offers the following comments in reaction:

“Michigan is a prime example of consumers’ desire for options in the marketplace, and of the marketplace growing to meet those demands. The Michigan cap for Consumers Energy’s customers was met in just 10 months and, unfortunately, the door is now closed for many consumers who want more options and lower priced electricity than their monopoly utility will provide.

“Customers, including many businesses as well as state and local government agencies, schools, universities and others struggling in today’s challenging economy, are now locked out of lower-priced electricity options available in the competitive marketplace. Customers in other parts of the state, such as Detroit, may also soon find themselves locked out of lower priced electricity as their utility approaches the 10 percent cap as well. Other states contemplating a return to the monopoly model should learn from Michigan's experience and not shut the door on competitive choice for consumers.

“In competitive energy markets across the country, wholesale electricity prices are declining and in many regions it represents an important opportunity for consumers to save on energy costs in the midst of a prolonged recession. These savings can be jeopardized or eliminated if states turn away from competitive reforms in the electricity sector that in some regards have yet to realize their full potential. In the long run, consumers are better served by competition, whether through lower prices or the development of innovative technologies and cleaner forms of energy.”

ABOUT COMPETE:

The **COMPETE** coalition represents 374 electricity stakeholders, employing over 7 million American workers, including customers, suppliers, generators, transmission owners, trade associations, and

economic development corporations – all of whom support well-structured competitive electricity markets for the benefit of consumers. For more information, please visit www.competecoalition.com

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