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Contact: Mary Odbert, 916.743.3113
Jennifer Zins, 916.871.0603

CALIFORNIA PUBLIC UTILITIES COMMISSION ISSUES PROPOSED DECISION TO OPEN INVESTIGATION TO RESTORE RETAIL ENERGY COMPETITION

Sacramento, CA – This week, the California Public Utilities Commission (CPUC) issued a proposed decision on the petition filed in December, 2006 by the Alliance for Retail Energy Markets (AReM) and 184 additional petitioners and supporters, asking that the CPUC open an investigation into reopening the competitive retail electricity market. In the proposed decision, to be voted on by the full Commission in May or June, the CPUC agrees to open the investigation. In the rulemaking process that will follow, it will be determined under what conditions direct access will be restored.

Direct access is a service option that allows customers to purchase their electricity from an independent supplier rather than an investor-owned utility. The CPUC reaffirmed a commitment to competition and customer choice in their ruling and noted “changes have occurred since 2001 in terms of regulatory and market reforms.” They specifically stated that, “the conditions that led to the suspension of direct access in 2001 have changed and are continuing to evolve.”

“We are pleased by the CPUC’s ruling and especially by their statement of support for customer choice,” said Norm Plotkin, Executive Director, AReM. “We look forward to the CPUC’s rulemaking process and pledge our support.”

This ruling follows a strong and growing effort by customers, suppliers and other supporters who are committed to opening the retail energy market. Since the original filing of the petition, an additional 21 parties have joined on to support the goals of the petition. The petitioners and supporter groups include a wide range of public and private entities and vary from small to multi-national organizations. All the groups seek to reestablish the right to energy choice currently denied to all but a few existing direct access customers.

“We applaud President Peevey’s vision and commitment to clean, green and affordable energy for all Californians. We believe this decision will promote an informed debate on the issues,” said Len Pettis, Chief of Plant, Energy and Utilities, California State University. “CSU believes that a collaboration of energy resources of investor owned utilities, merchant generators, and energy entrepreneurs, will provide sustainable solutions for all customer classes.”

California consumers have had the right to choose their electric energy supplier since 1998. However, that right was suspended over five years ago. Since then the state and CPUC have worked to stabilize the wholesale energy market, taken steps to insure all customers share in the costs incurred to buy electricity during the crisis and assigned responsibility for the long term electricity contracts to the utilities.

“Given the legal framework for the suspension as well as all the changes since the market was closed, the question for the petitioners and supporters alike seems to be ‘why is the retail market still closed?,” stated Dan Douglass, counsel for AReM. “We’re looking forward to an answer and the soon-to-follow opening of the retail market.”

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