



**For Immediate Release
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First Round of Direct Access Reopening Quickly Oversubscribed *Customers' Interest in Direct Access Outstrips Limits Set by CPUC*

May 10, 2010 – The Alliance for Retail Energy Markets (AReM) and California Alliance for Competitive Energy Solutions (CACES) today announced that they are pleased with the strong interest shown by business customers in potentially switching to direct access but disappointed that many customers will not be able to consider switching to an energy service provider in 2010 because the cap on customer enrollments was far exceeded by the requests that were submitted.

“The California Retailer’s Association (CRA) is excited about the opportunity for their retail members to once again have the option to choose their energy service provider”, said Bill Dombrowski, President and CEO of CRA, “but unfortunately with the cap being as low as it is not all of the customers were granted the approval to be able to switch. There are some very disappointed and frustrated businesses that need to be able to utilize the energy management tools provided by ESPs for them to remain competitive and to achieve their environmental goals.”

With the unanimous passage of Senate Bill (SB) 695 in the 2009 legislative session, California businesses were once again able to elect to switch to an alternate energy service provider. However, the caveat to choice was that the law placed a cap on the amount of load that was able to elect to switch to direct access, with the cap allocated over several years. Once the cap is reached, there will be no further allowance for customers to choose until the legislature acts to expand cap. The cap that is in place is based on the highest amount of load that switched prior to the suspension of retail choice in California, and is allocated over a four year phase-in period as determined by the CPUC. Customers who have been unable to secure room under the cap in this initial phase must now wait until room opens up under the next phase of the cap allocation for 2011. If they again are unable to secure space under the 2011 portion of the cap, they must wait until 2012 or 2013 – and may not even be able to switch at all until further expansion of the cap is allowed.

“The demand for electric choice is evidenced by the amount of customers who submitted requests for space under the cap that would allow them to consider switching to direct access,” said Andrea Morrison, President of the Alliance for Retail Energy Markets and Director, Regulatory and Government Affairs for Direct Energy. “While we are very encouraged that some customers were able to receive approval to switch it is obvious that with the cap being oversubscribed so quickly within the market opening that the cap simply does not afford enough customers the right to choose their energy service provider.”

“For too long, California schools and businesses have been held captive by monopoly electricity suppliers,” stated Michael Rochman, Managing Director of the School Project for Utility Rate Reduction (SPURR), a

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coalition of public school districts and community colleges. “We know what we need to do to control our energy costs and to meet our own budgetary and environmental goals. But we are blocked from making our own choices because the cap on customers who can shop for power was set far too low.”

The customers who have been approved to switch have 60-days to initiate their new service with a competitive service provider. If a customer who was approved to switch to direct access does not meet this deadline, the utilities will notify customers who are on a limited waiting list that these customers will be allowed the opportunity to switch in 2010. The next date for submissions to switch for 2011 direct access enrollments will be in July 2010.

About AReM

The Alliance for Retail Energy Markets is a not for profit corporation that advocates for continued development of successful customer choice in retail energy markets and provides a focused voice for competitive energy retailers and their customers in selected public policy forums on the state level. The Alliance brings together three of the nation’s leading retail energy suppliers – Constellation NewEnergy, Direct Energy and Sempra Energy Solutions, who collectively serve the majority of competitively served electric load in California.

About CACES

The California Alliance for Competitive Energy Solutions (CACES) is a coalition reaching out to Californians to show how access to electric energy options benefits people, businesses and enterprise while encouraging innovation in electricity production, supply and delivery. The CACES coalition includes a wide range of public and private entities, both small and large businesses, K-12 schools, universities, local governments, retailers, restaurants, manufacturing, health systems and electricity suppliers. Visit www.ca-aces.org

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