



For Immediate Release

Media Contacts:

Alicia Moran (RESA), 410-991-7027

Andrea Morrison (AReM), 916-759-7052

CUSTOMER DEMAND FOR COMPETITIVE ELECTRICITY OPTIONS CONTINUES TO OUTSTRIP ACCESS TO NON-UTILITY ELECTRIC SUPPLY IN CALIFORNIA

***Third Round of Direct Access Re-Opening Reported to be Over-subscribed in Minutes;
Businesses Blocked from Access to Alternative Energy Products***

Harrisburg, PA (February 3, 2011) – The Retail Energy Supply Association (RESA) and the Alliance for Retail Energy Markets (AReM), announced today that it appears, for the third time in the last nine months, the direct access load cap in California was once again over-subscribed nearly instantly. As a result, many customers will be disappointed because they will not be able to be served by an electric service provider (ESP).

“While currently there are no official figures, it has been reported by industry press that the results of the third phase of enrolling customers under the load cap were similar to the previous phases where the cap was hit in under a minute,” said Tim LoCascio, RESA California State Chair and Regulatory Affairs Manager at Liberty Power. “Customer demand for competitive electricity supply options continues to exceed the limited amount of load available under the legally-mandated cap by a significant margin. California customers are being denied the right to choose retail product offerings due to legal mandates that should be adjusted to better meet the obvious strong customer demand.”

With the passage of Senate Bill (SB) 695 during the 2009 legislative session, California businesses and government entities were once again able to switch from the utility to electric service providers for energy supply. However, the law capped the amount of electricity that could be supplied through competitive retailers to less than 25 million megawatt hours (MWh), allowing the competitive market to grow by approximately 8.35 million MWh which was to be phased in over four years. On January 31, 2011, customers were able to submit their intent to procure competitive supply for 2012 under procedures for the third phase-in of the load cap. By design, opportunities for competitive supply were even more limited than the first two phases. Phase three represented only 20% of the load cap, while the previous stages each allowed subscription for up to 35% of the cap. Customers, who have not been able to exercise the right to take competitive supply over utility supply, now must wait another year to

attempt to procure competitive supply options in 2013. However, customers will face even tougher odds in the fourth and final phase as the last 10% of the cap will be phased-in for service in 2013, an estimated 835,000 MWh.

“Now that over 90% of the cap has been subscribed to and three quarters of the phase-in process is complete, we know that the demand for electric choice in California is both substantial and persistent,” said Andrea Morrison, President of the Alliance for Retail Energy Markets and Director, Government and Regulatory Affairs for Direct Energy. “While the passing of SB 695 was a move in the right direction – providing non-residential customers with the power to choose their electric supplier – the limitations on how many customers can switch is just too restrictive in providing choice to California energy-users. The cap is simply too low and needs to be removed to allow more businesses in California the right to benefit from competition.”

###

About RESA

The Retail Energy Supply Association (RESA), a leading trade association of retail energy suppliers committed to the advocacy of vibrant and sustainable competitive residential and commercial energy markets. RESA’s members are Champion Energy Services; Con Edison Solutions; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Energy Plus Holdings LLC; Exelon Energy Company; GDF SUEZ Energy Resources NA, Inc.; Gexa Energy; Green Mountain Energy Company; Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MXenergy; Noble Americas Energy Solutions, LLC; PPL EnergyPlus; Reliant Energy Northeast, LLC; and TriEagle Energy. For more information, contact RESA Executive Director Tracy McCormick at (717) 566-5405 or go to www.RESAUSA.org

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 Noble Americas Energy Solutions, who collectively serve the majority of competitively served electric load in California.