

ELCON REPORT

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Consumers Need More Voice In Solutions To Blackout, ELCON's Anderson Says

Efforts to address the shortcomings of the electric grid that led to the August blackout are failing to give enough weight to consumers' needs, according to ELCON.

"The unfortunate events of August 14 have put electricity issues on the front burner," observed John Anderson, ELCON executive director. "That's the good news. But at the same time the views of large and small consumers -- who were in fact the real victims of the blackout and who will pay for any improvements -- are not being given full weight."

Anderson noted that news reports are now estimating the cost of improving grid reliability could run as high as \$100 billion. "That cost will be borne wholly by consumers," he stated. "Consumers are not unwilling to pay for necessary grid

improvements. But the effort to improve grid reliability should not become a cash cow for transmission providers. We need targeted improvements where problems exist. Consumers should not be asked to simply put money into the accounts of those who own transmission.

"If an automobile company were going to redesign a new car, the first thing they would do is get consumer input," he said. "If DOE is going to recommend a new electricity grid, they should talk to consumers first. We can't let the foxes redesign the hen houses."

Anderson said he had read a report on grid reliability from the Electric Power Research Institute. "I was interviewed for this project. But when I look at both the

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ELCON Makes Case For FERC's Authority Over States on RTOs

ELCON laid out legal arguments for the Federal Energy Regulatory Commission (FERC) to override efforts by Virginia and Kentucky to block or slow down the formation of RTOs. The comments were filed in response to FERC's inquiry into the Kentucky Public Service Commission's denial of AEP's transfer of its transmission facilities to PJM and a recently enacted Virginia law prohibiting any Virginia utility from joining an RTO without the approval of the Virginia State Corporation Commission.

The actions by the two states "stymie wholesale market development in the PJM-MISO-SPP 'super-region'," ELCON

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Energy Bill Stalls in Senate

In its last days before adjourning, the Senate tried to consider and pass the comprehensive energy bill (HR 6), including a decidedly anti-consumer electricity title. But bipartisan opposition to a host of issues (electricity, MTBE, ethanol, tax breaks) prevented the leadership from invoking cloture to end debate. Senate leaders tried desperately to gain the necessary votes but in the end could not and simply vowed to bring the bill back in the next session. The House passed the bill earlier by a significant margin.

The congressional conference committee on the energy bill proceeded with fits

and starts throughout the fall. Although a few electricity issues proved troublesome, other issues, such as ethanol and the tax title, were also major stumbling blocks.

The conference process, except for two formal meetings, took place off the record. Language drafted by the staff of Senate Energy Committee Chairman Pete Domenici (R-NM) was circulated first to Senate Republican conferees. Only after they approved was it shared with House Republicans. Democrats were essentially excluded. The first formal meeting was held with all conferees at the very begin-

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15 Minutes of Fame

Andy Warhol said all people will get 15 minutes of fame. Could the same apply to dates on the calendar?

For those of us who work on electricity issues, the current prize holder for most famous date is August 14. The blackout that affected homes and businesses in eight states and two Canadian provinces was unprecedented in its scope. And the frightening part to some of us is that it was completely unexpected.

It wasn't especially hot on August 14. And there wasn't any spike in demand.

**Once again
we saw that
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Investigators have pieced together the events leading up to the blackout -- sometimes on a second-by-second basis -- and they found a combination of events and coincidences that in the aggregate led to a situation where, in the terms of one expert, "the blackout became inevitable."

But my objective is not to point fingers or assign blame. There will plenty of that going on in the months and years ahead.

My objective is to point out the obvious -- or at least what I think is obvious even though many observers have somehow ignored it.

Grid management and grid reliability are national issues. That may not have been the case 100 years ago as local utility companies emerged, sometimes in competition with each other, to serve cus-

*By John
Anderson,
Executive
Director,
ELCON*

tomers in a particular community or region. It may not have been the case 70 years ago when Congress passed the Federal Power Act, attempting to divide jurisdiction for grid management between the federal government (then the Federal Power Commission) and state utility commissions. I am willing to admit that even in the early 1960s, before the East Coast Blackout, many transmission-owning utilities, though connected to other utilities, operated their transmission systems as if they were islands.

But times have changed.

For those who still believe in an electricity grid defined by state demarcations, August 14 should have been an eye-opener. Power flows surged one way and then the other as transmission lines failed and circuit breakers tripped. When lines failed in Ohio, people in downtown Manhattan were bearing the burden within seconds. Our neighbors in Canada were in the dark, seemingly because the province of Ontario is located between Detroit and New York.

Whether or not the transmission system worked well by containing the damage, or whether it failed as evidenced by the blackout's overwhelming cascade, is not really the issue. The fact is that once again we saw that those pesky little electrons are uncontrollable. State commissions and, indeed, the House and Senate, cannot direct them to go here or stop there. The laws of physics simply supercede the laws of Congress or the regulations of any one State.

So, I believe the one lesson we have learned -- at least that we should have learned -- is that we must address transmission issues from as wide-reaching a perspective as possible. From a grid management point of view, that means large regional transmission organizations or

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Industry Coalition Weighs in on Energy Bill

ELCON coordinated communications between an industry coalition and congressional conferees on key issues during debate on the omnibus energy bill (HR 6). Three letters were sent and numerous personal contacts were made by the Manufacturers Energy Group (MEG), an informal coalition of manufacturing trade associations.

The first letter responded to a proposal by Sen. Lincoln Chafee (R-RI) that would have made it difficult for industrial end users to bypass their local electric utility and purchase power directly from the transmission grid. Several utilities and state regulators lobbied for this provision, which was couched in terms of authorizing state utility commissions to levy fees and charges on transmission purchases. They cannot do that now because transmission is under the jurisdiction of the Federal Energy Regulatory Commission rather than the states.

The MEG letter said that a manufacturer would only attempt to bypass a local utility "to reduce costs, increase its commercial viability, and preserve or increase

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ELCON Coordinates State Group Activities

At ELCON's request, 10 state industrial user groups joined in signing a letter to the chairmen of the House-Senate conference committee on the comprehensive energy bill (HR 6) opposing proposed restrictions on the Federal Energy Regulatory Commission. (See related story.)

Language first adopted by the Senate would have prohibited FERC from issuing or implementing any regulation proposing national or regional standards for restructuring electricity markets for a defined period of time. As first proposed, the moratorium lasted until June 30, 2005;

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How Congress Can Help Electricity Consumers: ELCON's Seven Principles for Transmission and Reliability

Industrial electricity users have a direct interest in ensuring that the nation's interstate electricity grid is operated in a safe and reliable manner. Without a reliable supply of electricity, the country's manufacturing community would quite simply be unable to operate.

Since end users pay for the grid's operation, industrial electricity users also have a direct interest in

ensuring that the cost of expanding and improving the grid does not increase electricity bills to the point of making manufacturing in this country non-competitive. Accordingly, ELCON urged Congress to consider the following principles as they draft the electricity provisions of the omnibus energy bill.

Principle 1: Regulation of the electricity transmission grid is a Federal, not state, issue.

The electricity transmission grid is clearly interstate in nature and power flows follow the laws of physics and do not respect state or international boundaries. The August 14 blackout demonstrates a clear need for more, not less, interstate coordination of the grid and more, not less, standardization of operational and market protocols.

Principle 2: RTO/ISO rules and standards should be mandatory and should include a minimal number of control areas.

Areas such as the Midwest ISO, with 23 separate semi-autonomous control areas, are more prone to operational problems or communication breakdowns than areas, such as PJM, with one control area subject only to PJM. The controlling entities should be responsible for the safe and reliable operation of the grid and should be required to operate the grid using those practices most likely to ensure such reliability. Moreover, to the extent possible, control area geography should be consistent with the underlying physical transmission system and historical power flows.

Principle 3: Independent governance of RTOs and ISOs is

required to prevent discriminatory and preferential practices.

When the same utility controls both generation and transmission assets, there is an understandable tendency to use those transmission facilities to benefit its own generation at the expense of more efficient or less costly generation elsewhere (e.g., produced by an independent generator). Such action jeopardizes the grid's reliability and increases costs to consumers. Setting up fire walls in an attempt to isolate transmission operation from generation within the same company will not guarantee the elimination of preferential activity.

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Bumpy Conference

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ning of the process, and the second one was held at the end to ratify the bill drafted for the most part behind closed doors. Only one Democratic Senator, Byron Dorgan (D-ND), voted for the bill in conference.

On electricity, the last issue to be decided was mandated participant funding, which ELCON opposed. "Mandate" language was included in the House bill, and conferee Senator Trent Lott (R-MS) insisted on including in the final conference document a provision directing FERC to use participant funding as the basis for allocating costs for new transmission. Sen. Lott admitted that this was being sought by several southeastern util-

ities, and he made it clear that his support for the final conference report hinged on acceptable language regarding participant funding. Senate Republicans had a margin of only one vote in the conference, and since Sen. Domenici could not count on any Democratic votes after having basically excluded them from the process, Sen. Lott's support was believed essential. The adopted language directs FERC to consider participant funding but does not include an absolute mandate.

Other electricity issues of interest to industrial users were a provision repealing the mandatory purchase and sale requirements of the Public Utility Regulatory Policies Act (PURPA) only when there are competitive wholesale and retail markets (a provision ELCON supported), repeal of the Public Utility

Holding Company Act (PUHCA) and adoption of several provisions that would restrict FERC's efforts to establish competitive wholesale markets, which ELCON opposed. In addition, the bill did not include a mandatory renewable portfolio standard or language making it more difficult for industrial users to bypass local distribution utilities, both of which ELCON opposed.

Since the conference did not conclude before Congress adjourned, the bill will carry over into the second session in January 2004. Republican leaders in the Senate have vowed to bring the bill up, but they have not divulged what compromises they believe may be necessary to secure the necessary support. The bill will stay alive, if necessary, until Congress adjourns in the fall of 2004. E

Seven Principles

From Page 3

Principle 4: Additional incentives are not required to encourage transmission expansions and upgrades. The rate of return should be commensurate with the risk of the investment.

Last year, in testimony before the House Energy and Air Quality Subcommittee, a witness from the investment community testified that current rates of return are sufficient to encourage new investment in transmission. Capital is readily available to finance transmission expenditures that are truly needed. Current returns on investment for transmission are quite generous at a time when prevailing interest rates are at their lowest levels in almost half a century. In addition, it should be noted that mandated "participant funding" as has been proposed will hinder, not encourage, the construction of new transmission.

Principle 5: Transmission expansion and upgrades should be targeted to ensure cost-effective and timely solutions. The response to the August 14th blackout should not be to simply "expand the grid."

Estimates (perhaps speculative) suggest that the cost of upgrading the transmission grid could total \$50 bil-

lion or more. Specific problem areas must be identified and upgrades should be undertaken on a targeted basis. Target areas were most recently identified in the Department of Energy's "National Transmission Grid Study" in 2002. Transmission planning and investment should be done on a holistic basis considering the location of both existing and projected generation and load. And transmission expansions and upgrades should result in demonstrable consumer benefits (such as increased reliability and lower overall delivered cost of energy).

Principle 6: If transmission providers are not willing to comply with the responsibilities and risk/reward relationship inherent in their monopoly franchise, regulators should consider awarding utility franchises to other entities

Transmission providers have a continuing obligation to serve customers in a reliable and safe manner at reasonable costs. Utilities should be held accountable for their actions (and lack of actions) including the manner in which they planned and maintained their systems in the past. Transmission providers have an obligation to prudently plan and operate their electric systems. And, in fact, utilities are allowed to earn a generous of return with almost no downside risk. U.S. manufacturers faced with extraordinary competitive

pressures have not had the luxury of such generous returns.

Principle 7: In seeking to ensure grid reliability, legislators and regulators should consider cost-effective alternatives to conventional solutions (such as simply constructing new transmission lines). Regulators should not tolerate the reluctance of transmission providers to consider such possibilities.

In expanding and upgrading the electricity grid, there are several new, cost-effective options, in terms of both physical equipment and computer services, that should be explored as alternatives to the simple construction of new transmission lines.

In conclusion reliability is very important to all consumers - large and small. Blackouts jeopardize the safety and welfare of all citizens and can impose substantial economic harm. The reliability of the grid is of the utmost importance. But that importance should not be used as a rationale for additional activity - such as wholesale investment in grid improvement even in areas where no improvement is needed - or for utility restructuring to be delayed or halted. Such short sighted responses will prove costly to industrial electricity users, all consumers, and to the economy as a whole. E

MEG

From Page 2

employment opportunities." MEG urged Congress to consider the impact of restricting bypass.

MEG next opposed prohibiting FERC from issuing standards for large-scale federal and regional markets. The letter said legislation addressing the interstate grid must allow for the development of regional approaches "across multiple political

jurisdictions" and stressed the importance of consistent rules for each region.

MEG's third effort was to oppose language in the House (not Senate) bill requiring FERC to use "participant funding" to assign costs for all new transmission. (See related story.) Participant funding, an option now available to FERC, theoretically assigns costs to beneficiaries of a service. But, mandating it "removes the regulatory flexibility necessary for making an accurate assessment" of who will

benefit, MEG said. Cost allocation should take into account short-term and long-term beneficiaries of expanded or improved transmission capacity.

MEG members other than ELCON that signed some or all of the letters were the American Iron and Steel Institute, American Forest & Paper Association, American Chemistry Council, Portland Cement Association, Council of Industrial Boiler Owners, The Fertilizer Institute and Grocery Manufacturers of America. E

Trees Said to Be At Root of Blackout

One of the causes of the Aug. 14 electricity blackout that hit eight states and two Canadian provinces was tree contact with transmission lines, David Nevius, senior vice president of the North American Electric Reliability Council (NERC), told ELCON's Fall Workshop. Trees tripped three different transmission lines in Ohio, triggering a "high speed collapse," he said.

Nevius described for ELCON the in-depth technical investigation undertaken

by NERC to determine the causes of the blackout. The investigation started with what NERC calls a "root cause analysis" and tried to explain why things happened at each step. NERC developed a time sequence showing developments that led up to the blackout, with some of the sequences divided into segments of only seconds.

After 4:06, there was "nothing anyone could have done," Nevius said. The "simply inevitable" blackout occurred at 4:13. E

Energy Bill Shows Parochial Interests At Work, Investor Tells Workshop

The energy bill being debated in Congress is "an example of legislation serving parochial constituent interests," said Christine Tezak, electricity analyst for the Washington Research Group of Schwab Capital Markets.

"Transmission should be boring and have no risk," Tezak said. Instead, Congress is discussing incentive rates and mandated participant funding, two objectives sought by utilities.

Tezak said she believes greater competition in wholesale and retail electricity markets can work in providing lower

cost power. But in order for that to happen, she said, "Congress must stop picking favorites."

FERC has the authority to regulate all transmission since it is intrinsically interstate, Tezak said. We need "one regulator," regardless of whether transmission is part of a bundled or unbundled rate. She pointed to natural gas markets and the common carrier status of pipelines as an apt parallel. "Treat electricity like we treat gas," she suggested, and more transmission would be built and electricity markets would become competitive and robust. E

Electricity Contracts Need Common Set Of Terms, Conditions, Workshop Told

It is important for all parties in power commodity agreements to agree on a common set of terms and conditions, said Elizabeth Sager, executive director of UBS Energy, LLC.

She said there are four "traditional approaches," or master agreements, now in use for the purchase of electricity and natural gas.

Two categories of Power Contracts

are commonly used for the sale of electricity -- one first developed by the Western Systems Power Pool in 1987 and one developed by the Edison Electric Institute in 1999.

Issues such as force majeure, liquidated damages and collateral annex are defined differently, making a consistent understanding essential among those entering into agreements. E

*ELCON Fall Workshop
Washington, DC
Oct. 22, 2003*

No Gas Shortages Foreseen Long Term

Supplies of natural gas should be adequate for the foreseeable future, according to two speakers at ELCON's Fall Workshop. This was good news to industrial users that have been plagued with unprecedented price spikes and other volatility in the market.

Consultant Bruce Henning, Director of Regulatory and Market Analysis for EEA, Inc., called gas "an abundant resource." Mary Hutzler, Director of the Office of Integrated Analysis and Forecasting for the Department of Energy's Energy Information Administration (EIA) agreed, saying, "There is an adequate supply of gas forecast."

Henning stated that gas producers always respond to higher prices such as those experienced in the last several years, but that "there is always a lag" in furnishing new supply. He also noted that new technologies have made locating new supplies easier, and there are "far fewer dry holes."

Hutzler's EIA research projects a substantial increase in production over the next 25 years, although it also predicts consumption will increase, necessitating an increase in net imports. According to Hutzler's EIA analysis, natural gas consumption will increase in the industrial, commercial, and residential sectors, but the greatest increase will be in gas used for electricity generation.

Henning's analysis differed slightly. He stated that the industrial sector was the critical driver on the demand side. If prices remain high, he thought that industrial use would not increase as much as had been earlier projected, and that instead there would be more modest growth. E

ELCON Activities Before The Federal Energy Regulatory Commission

MISO, PJM

In the wake of the Aug. 14 blackout, FERC should "cut past the excuses" and take steps to resolve the seams and membership issues facing the RTOs MISO and PJM, ELCON said in comments following a two-day conference on impediments to RTO membership by key Midwest utilities. (See related story, p. 1.)

"The continuous switching, posturing and delays accompanying the proposed membership of AEP, ComEd, Ameren, Illinois Power and various other Midwest utilities in either PJM or MISO are at bottom a game in market power," ELCON said.

ELCON reminded FERC that it assumed in 2002 that AEP, ComEd and other major Midwest utilities would join PJM together, and it was willing to live with suboptimal RTO configuration because it expected soon thereafter 1) NERC approval of PJM/MISO reliability plans; 2) the adoption of a Joint Operating agreement between PJM and MISO to minimize seams; 3) implementation of a common PJM/MISO market by October 1, 2004; 4) elimination of the through and out rates between MISO and PJM; and 5) adoption of a hold harmless plan to protect Wisconsin and Michigan from the loop flows and congestion that result from the RTO configuration proposed by the former Alliance companies.

None of these has happened, and new obstacles to RTO membership have been erected by Kentucky and Virginia, ELCON said. The Kentucky Public Service Commission blocked AEP's transfer of its transmission facilities to an RTO, and Virginia passed a law requiring approval from the state corporation commission before any of its utilities can join an RTO.

The facts have changed significantly since FERC approved ComEd's choice to join PJM, and "FERC owes consumers a second-look under Section 205 of the Federal Power Act to ensure that ComEd's and AEP's proposed arrangements comply with Order No. 2000 and are just and reasonable," ELCON said.

The two RTOs should be required to institute a joint and common market by a date certain, the comments said.

Gaming, Market Manipulation

ELCON and other national and state groups representing industrial users filed comments commending FERC for its proposal to "revise market-based rate authorizations to identify illegal behavior and proscribe certain gaming strategies."

Recognizing that most ISOs and RTOs lack effective provisions to prohibit gaming or market manipulation, ELCON has urged FERC to promulgate strong national anti-gaming rules.

"We have seen all too clearly that, in this new era of competitive wholesale markets, some bad apples have attempted to spoil the market to everybody's detri-

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detriment.**

ment," said John Anderson, ELCON's executive director. "Bid-based markets are not very robust in the face of market

power and are easily gamed. FERC bears the responsibility to do everything necessary to keep such markets operating fairly and to ensure that consumers have faith in competitive markets."

The filing emphasized that FERC's approach should not be in lieu of or supersede action by RTOs and ISOs but rather should complement the mitigation measures now required of RTOs/ISOs. ELCON called FERC's proposed rules and mitigation measures "the training wheels" for the new markets which will ensure that, as the markets attempt to negotiate new thoroughfares, "they don't wobble and fall because of inadequate protections."

"When someone games the system, it is especially harmful to consumers," said Anderson. "Consumers pay higher prices and they lose faith in the system, thus discouraging new entrants. Gaming both increases costs and reduces the opportunity for consumers to find lower-priced alternatives."

The industrials made three major points in support of FERC's gaming policies: (1) the present rules in ISO and RTO tariffs are inadequate and inconsistent; (2) FERC has the legal duty to impose behavioral conditions to ensure just and reasonable rates; and (3) specific rules on market behavior will protect consumers and mitigate litigation over the meaning of tariff provisions.

"This is not an expansion of FERC authority," Anderson emphasized. "Rather, this is an example of what FERC can and must do as required by statute to protect both markets and consumers. FERC is first and foremost the agency charged with protecting the public interest. If they fail in this exercise, they have failed in their mission." E

Consumer Voice

From Page 1

findings of the study and the total list of those who were consulted, consumers are clearly underrepresented."

He said that "for electricity consumers these are the best of times, and these are the worst of times."

"The electricity grid is not a tale of two cities, one for electricity producers and providers, one for consumers," said Anderson. "We are all in this together. Consumers will pay the bills -- and if the grid is to be redesigned, consumer input should be an integral part of the entire process." E

ELCON Coordinating

From Page 2

later it was revised to extend until December 31, 2006.

The letter to Sen. Pete Domenici (R-NM) and Rep. Billy Tauzin (R-LA) said the state groups oppose any proposals that fail to recognize the interstate nature of the grid. "Any attempts to address transmission and competitive wholesale electricity issues on a state-by-state basis, rather than on a regional or national basis, will hinder competition, hurt reliability, and be costly to consumers, including America's manufacturing base," it said.

Groups signing the letter included the Association of Businesses Advocating Tariff Equity (Michigan), Carolina Utility Customers Association, Illinois Industrial Energy Consumers, Industrial Energy Consumers of Pennsylvania, Industrial Energy Users-Ohio, Indiana Industrial Energy Consumers, Inc., Louisiana Energy Users Group, Maryland Industrial Group, Texas Industrial Energy Consumers, and West Virginia Energy Users Group. E

Executive Director

From Page 2

their equivalent are essential. From a regulatory perspective, that means we need one set of rules, with regional variations only where obvious and necessary. And

FERC Authority

From page 1

said. As a result, MISO and SPP called off their proposed merger, and MISO and PJM said they are now unable to determine when they will be able to implement a common market. More adverse consequences could follow.

The actions of Virginia and Kentucky are problematic under two constitutional doctrines, ELCON said. First, the Commerce Clause precludes states from regulating electric utilities and other industries if such regulation imposes a direct burden on interstate commerce. By definition, the areas of the transmission grid overseen by an RTO have to do with transmission in interstate commerce. State regulation of this transmission would impose an impermissible burden on interstate commerce. A long line of Supreme Court decisions has invalidated protectionist state legislation.

Also, under the Constitution's Supremacy Clause, federal regulation supersedes state regulation if there is conflicting authority. In at least two proceedings, FERC has recognized that state actions taken in the name of protecting their own retail customers are preempted where inconsistent with FERC regulation of interstate transmission.

"Without immediate and forceful FERC action, development of a PJM/MISO/SPP super-region will be aborted," ELCON said. "FERC cannot allow AEP to sit on the sidelines any longer."

John Anderson, ELCON's executive

from the operational side, we must address the "seams" issue to ensure that adjacent control areas can work together and are in absolute communication.

If we can accomplish that, August 14 will be just a historical blip -- famous for a brief 15 minutes in spite of the staggering costs now on all of our minds. However, if those who persist in addressing grid management issues on a piecemeal, state-by-state basis are allowed to prevail,

director, said that "the formation of RTOs, and ensuring that all transmission is under RTO administration, is paramount. If the Midwest is to have a functioning and robust wholesale electricity market, AEP and ComEd must join an RTO. And in order for it to work right, they should join the same RTO.

"I know there could be market power implications," continued Anderson, "but market monitors and FERC will be careful to ensure that does not occur. The important thing is to get AEP and ComEd off the bench and onto the field."

The comments cited the case *New York v. FERC*, 535 U.S. 1 (2002), in which the Supreme Court expressly rejected New York's argument that FERC exceeded its statutory authority by exercising jurisdiction over unbundled retail transmission. The majority agreed with the D.C. Circuit Court that the Federal Power Act readily supports FERC's claim of jurisdiction over interstate transmission and that, in the words of the Court, "the statutory text thus unambiguously authorizes FERC to assert jurisdiction over two separate activities -- transmitting and selling."

While FERC's jurisdiction over the sale of power has been specifically confined to the wholesale market, the Supreme Court said, "FERC's jurisdiction over electricity transmissions contains no such limitation. Because the FPA authorizes FERC's jurisdiction over interstate transmissions, without regard to whether the transmissions are sold to a reseller or directly to a consumer, FERC's exercise of this power is valid." E

August 14 will be noted as the first indicator, but certainly not the last, that our electricity transmission and delivery system is vulnerable to collapse. All of us -- from those who make large-scale electricity purchases for America's manufacturers to those who simply rely on electricity to power our homes -- need to understand the choice that is before us. From both professional and personal perspectives, I hope we make the right decision. E

FERC Com. Massey, Public Servant

The term of Bill Massey on the Federal Energy Regulatory Commission will end when this Congress adjourns, as required by statute. Massey, the senior FERC commissioner, has served for 10 years, since the time FERC embarked on its ongoing effort to implement the Energy Policy Act of 1992 and its directive to establish competitive wholesale electricity markets.

During his tenure at FERC, Bill Massey has never wavered in his commitment to more competitive markets. His intelligence and integrity have never been in doubt.

Commissioner Massey has been a true public servant, and ELCON members and staff wish him well wherever the future takes him. E

WHAT IS ELCON?

- **DATE ORGANIZED:** January 15, 1976
- **WHO WE ARE:** The Electricity Consumers Resource Council (ELCON) is the national association representing large industrial consumers of electricity. ELCON was organized to promote the development of coordinated and rational federal and state policies that will assure an adequate, reliable and efficient supply of electricity for all users at competitive prices. ELCON's member companies come from virtually every segment of the manufacturing community.
- **MEMBER COMPANIES:** A.E. Staley Manufacturing Company • Air Liquide • Anheuser-Busch Companies, Inc. • BOC Gases • BP • Bunge Corp. • ChevronTexaco • Delphi Automotive Systems • E.I. du Pont de Nemours & Co. • Eastman Chemical Company • ExxonMobil • FMC Corp. • Ford Motor Company • General Motors Corporation • Honda • Intel Corporation • International Paper • Lafarge • MG Industries • Monsanto Co. • Occidental Chemical • Praxair • Shell Oil Products • Smurfit Stone Container Corp. • Solutia, Inc. • Weyerhaeuser
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