

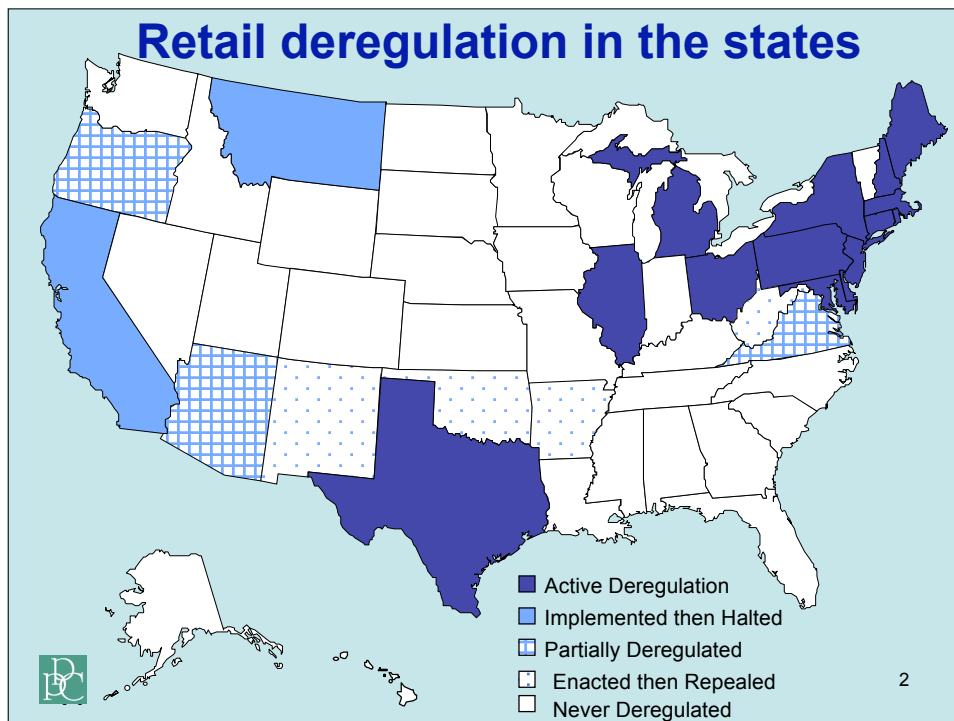


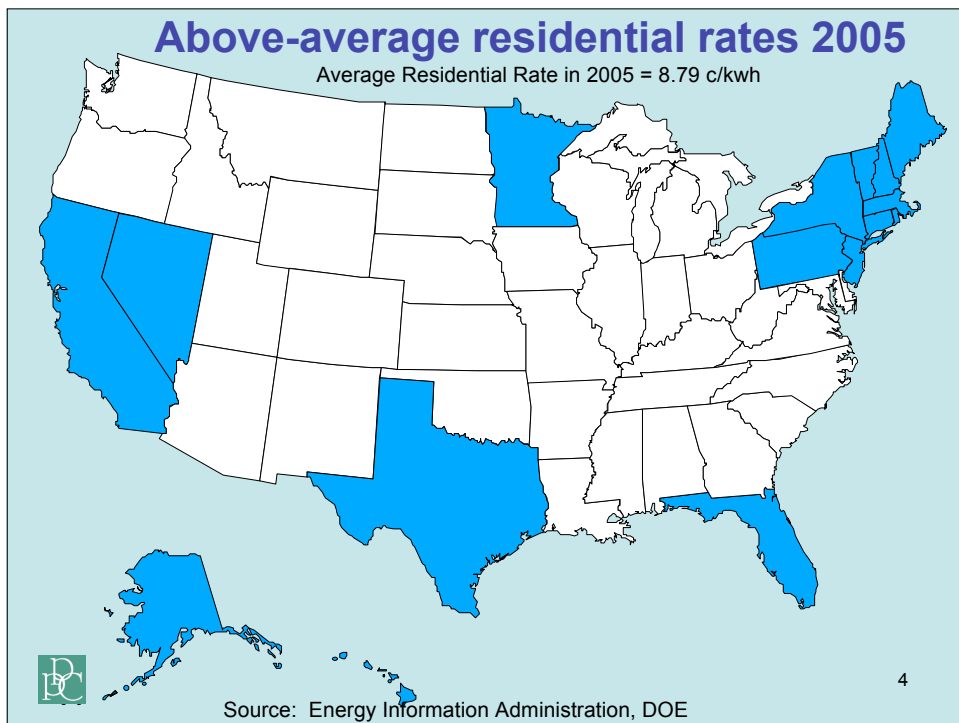
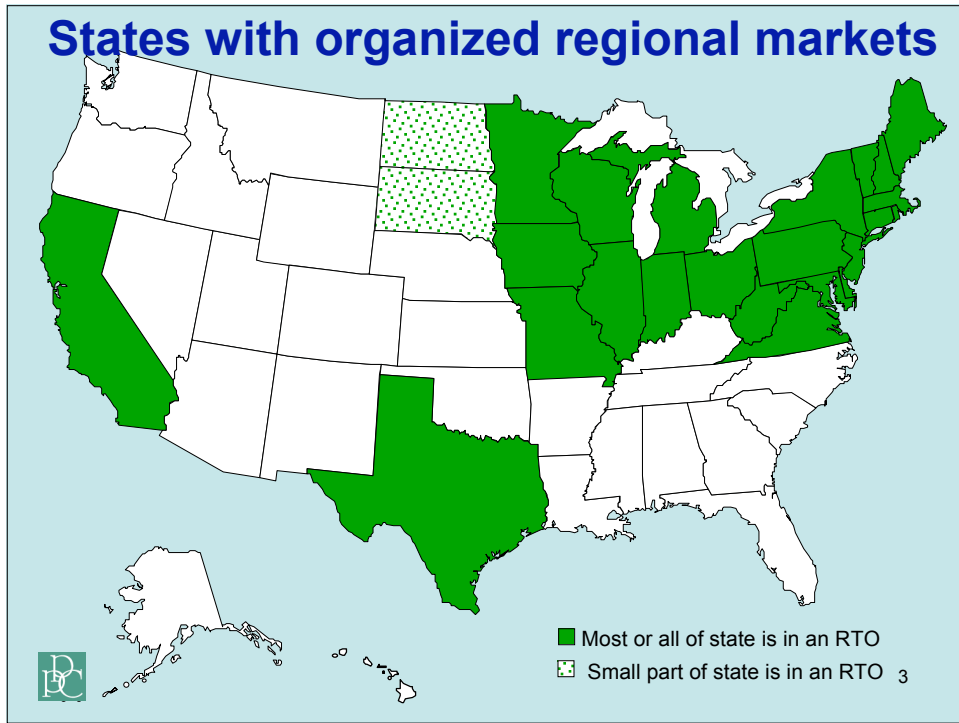
Mapping Electricity Policy

Marilyn Showalter
Executive Director
Public Power Council

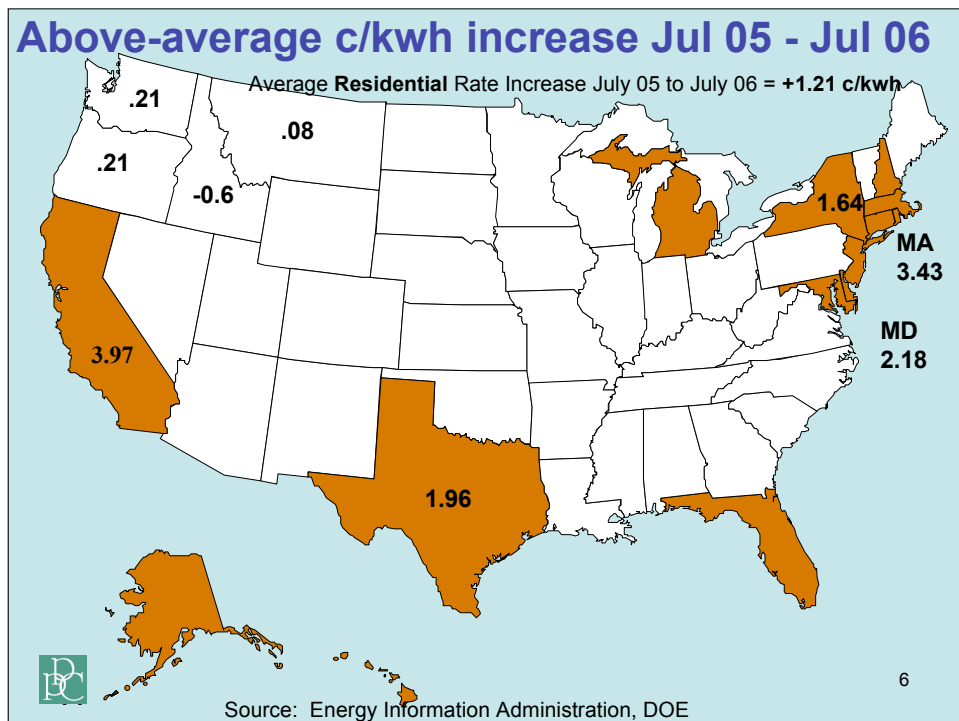
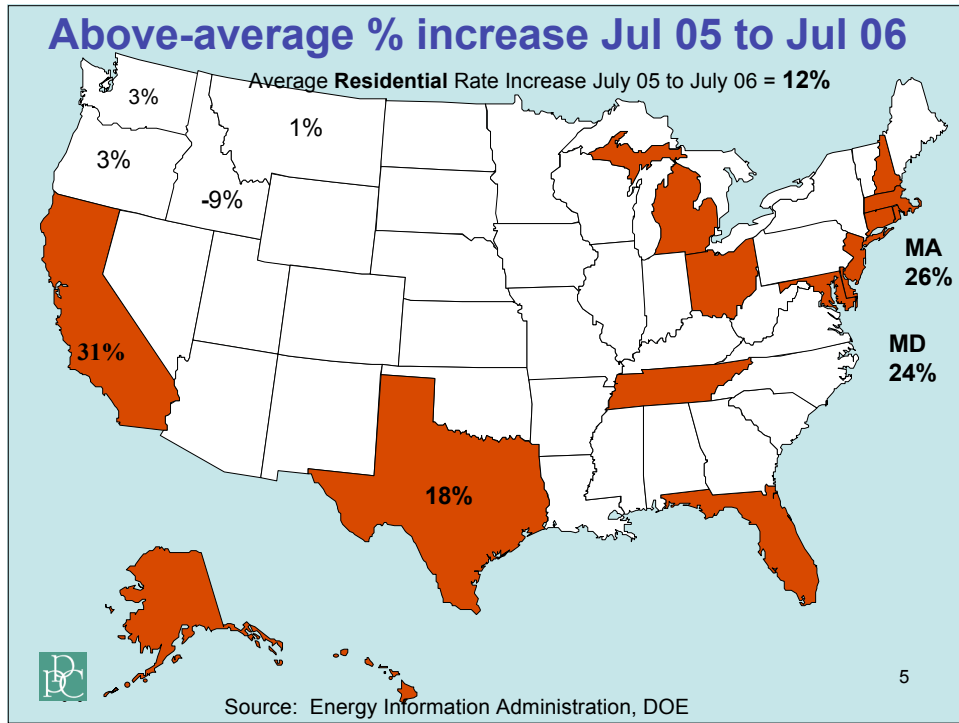
Jan 18, 2007, LSI

mshowalter@gmail.com

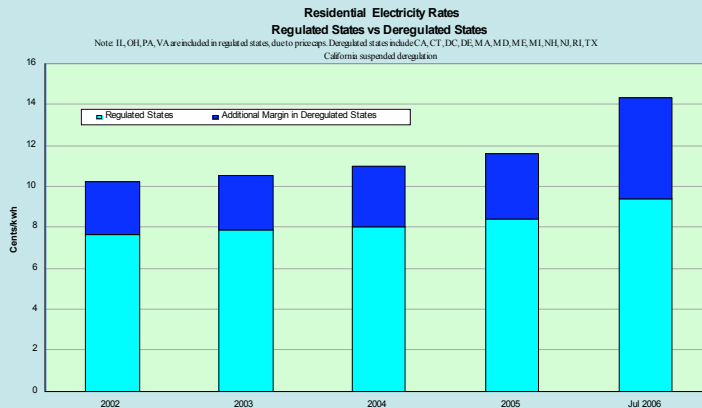




Source: Energy Information Administration, DOE



Residential rates in deregulated states are higher and have risen 18% faster than in regulated states 2002-July 2006

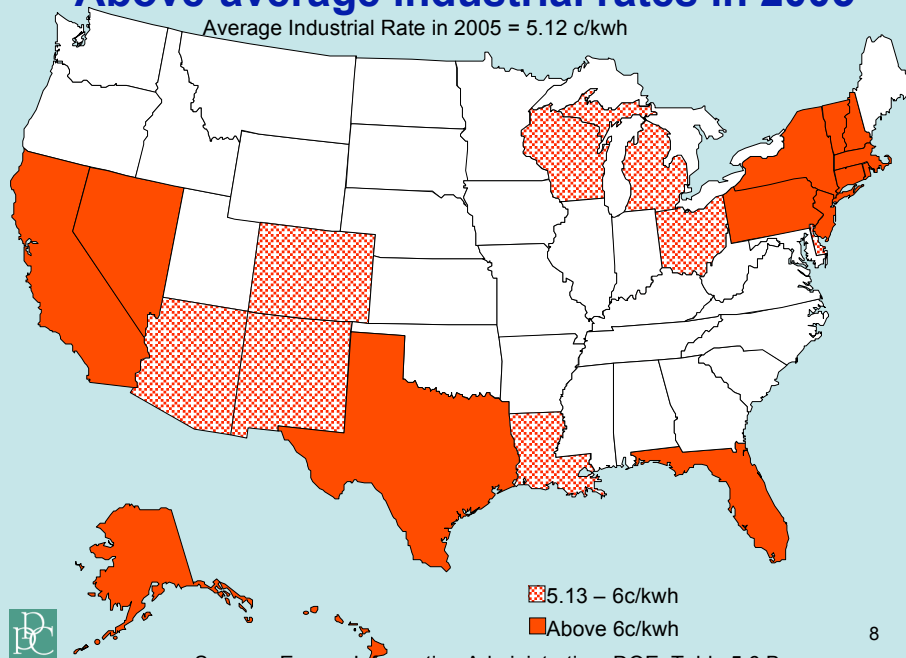


Sources: Graph, Public Power Council, Analysis, Tellus Institute; Data, Energy Information Agency

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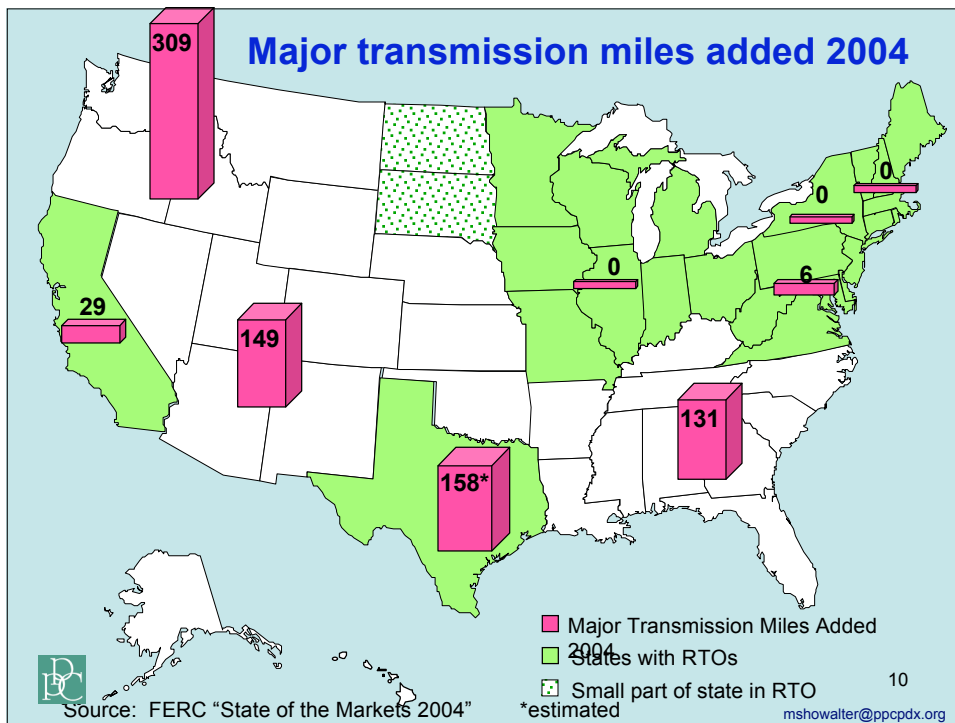
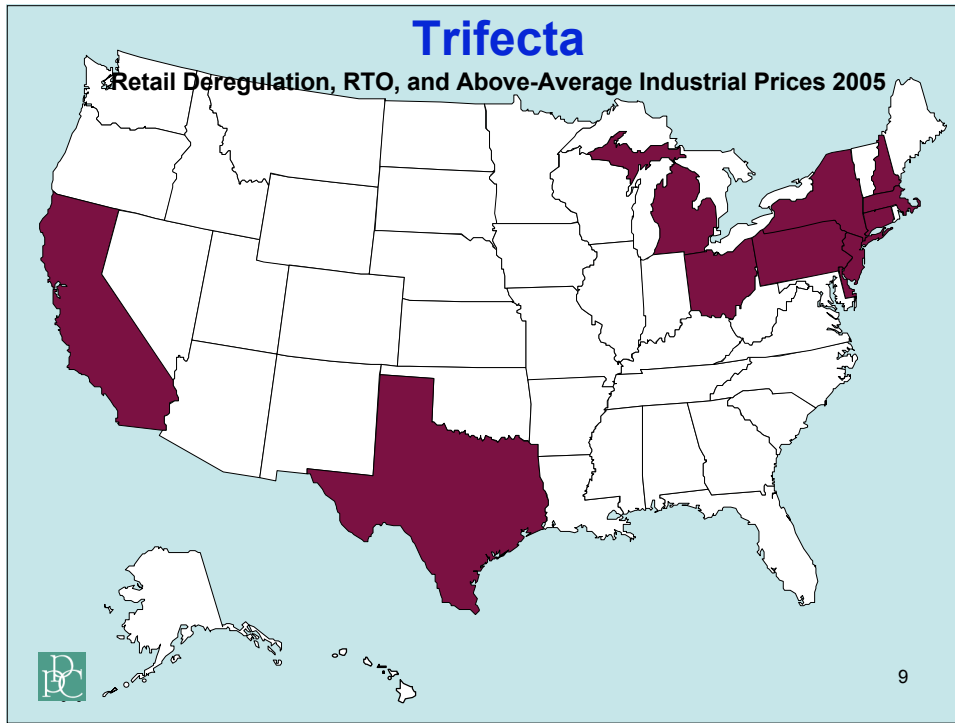
Above-average industrial rates in 2005

Average Industrial Rate in 2005 = 5.12 c/kwh



Source: Energy Information Administration, DOE, Table 5.6.B

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The “dark spread”

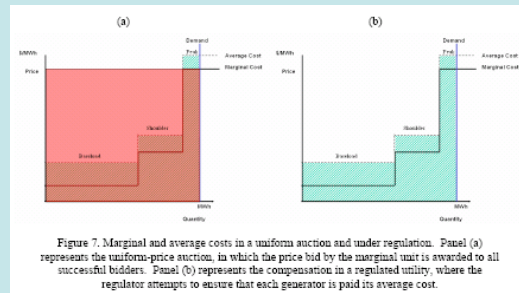
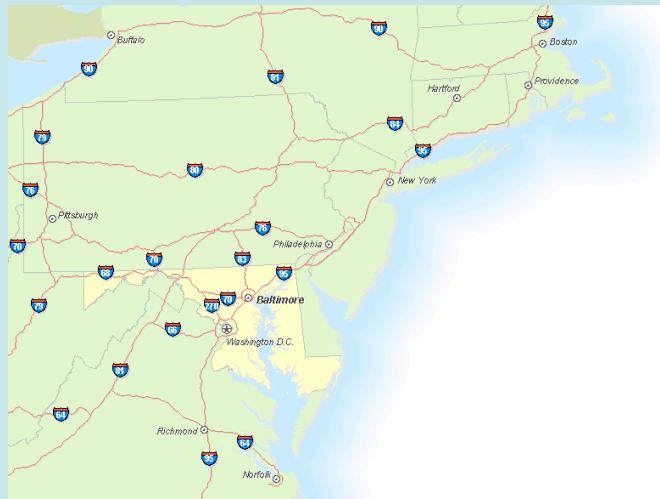


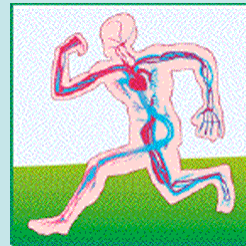
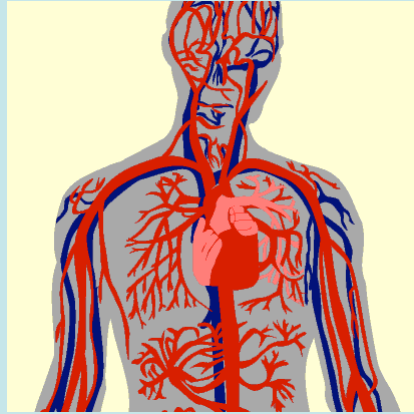
Figure 7. Marginal and average costs in a uniform auction and under regulation. Panel (a) represents the uniform-price auction, in which the price bid by the marginal unit is awarded to all successful bidders. Panel (b) represents the compensation in a regulated utility, where the regulator attempts to ensure that each generator is paid its average cost.

From: Blumsack et al, "Comments on Wholesale and Retail Electricity Competition," 2006 p. 12

Flawed metaphor: the highway system



Better metaphor: the circulatory system

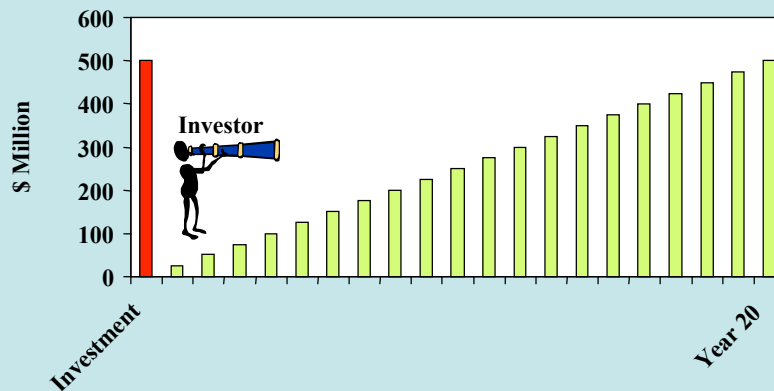


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Who will invest? Why?

Under Traditional Regulation

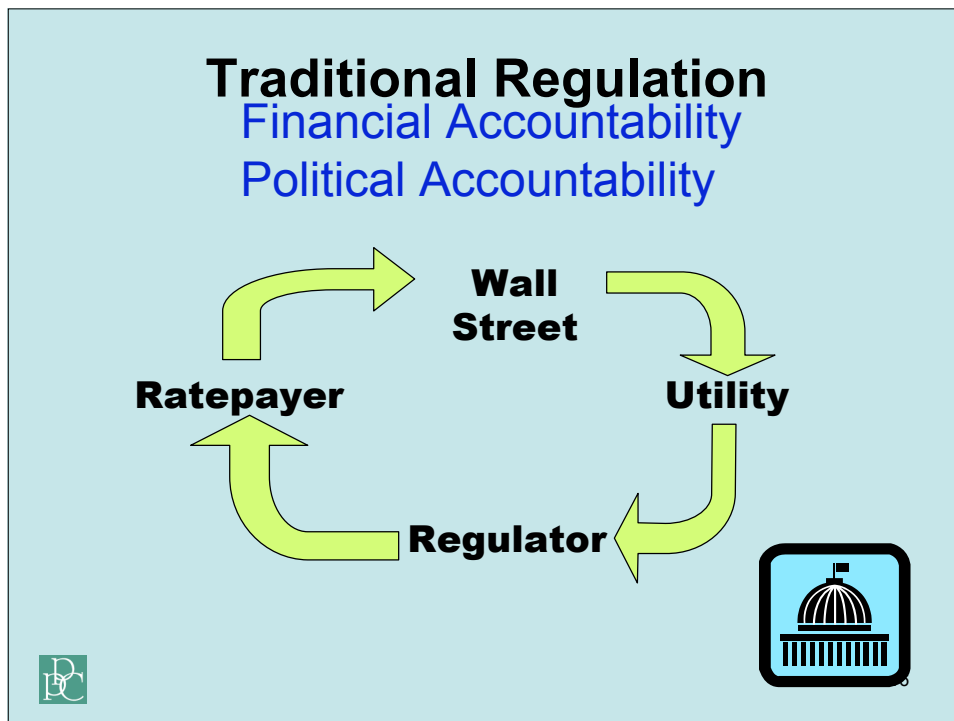
Slow and Steady – Low Investment Risk



Power Plant Investment Recovered Over 20 Years



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Marilyn Showalter

Marilyn Showalter is Executive Director of the Public Power Council (PPC). The PPC represents the Pacific Northwest's consumer-owned utilities on electricity issues, both within the region and in Washington, D.C., with a particular focus on the Bonneville Power Administration (BPA).

Prior to her current position, Ms. Showalter served for six years as Chairwoman of the Washington Utilities and Transportation Commission, which regulates investor-owned utilities. She is also immediate past President of the National Association of Regulatory Utility Commissioners (NARUC).

A graduate of Harvard College and Harvard Law School, Ms. Showalter has served in a number of governmental capacities in the state of Washington, including Counsel to the Governor, Chief Clerk of the state House of Representatives, Counsel to the state House Appropriations Committee, and Senior Deputy Prosecuting Attorney. She has also practiced law privately and taught law-school courses.



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mshowalter@ppcpdx.org