

Resolution Concerning Legislative Activities of the 104th Congress on Electric Policy

WHEREAS, In 1992, Congress enacted the Energy Policy Act (EPAct) to promote greater competition in bulk power markets through the creation of exempt wholesale generators and through greater access to transmission services; *and*

WHEREAS, The Federal Energy Regulatory Commission (FERC) is expected to finalize its Open Access proposal in the Spring of 1996, thereby providing open access to transmission facilities under tariff; *and*

WHEREAS, As a result of EPAct, the actions of the FERC, and other factors, including the actions of the States, the wholesale market is becoming competitive; *and*

WHEREAS, The vast majority of the States are studying and considering revisions to regulatory policy, including the provision of retail access to alternative sources of power supply; *and*

WHEREAS, State legislatures and commissions are undertaking this review of competitive alternatives to be consistent with the unique conditions in their respective retail markets; *and*

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC), acting through its committee structure, is in the process of developing guidance to assist its member commissions in their respective analyses of retail market issues; *and*

WHEREAS, The States are working together in Regional Transmission Groups and ad hoc organizations to examine revision of regulatory policies on transmission and other matters that impact their regions; *and*

WHEREAS, The results of EPAct, the actions of the FERC, the decisions of individual States and the work of regional endeavors are not yet known; *and*

WHEREAS, Much information will be obtained and many lessons learned by studying the results of the many actions already taken at the federal level and being taken by the States individually and in combination; *and*

WHEREAS, While on a national basis, the electric utility industry is providing reliable services, there are in some regions significant problems with the reasonableness of existing price structures which are being addressed by the affected States; *and*

WHEREAS, The NARUC is studying the retail electric market to recommend appropriate changes, if any, in federal policy and regulations; *and*

WHEREAS, The NARUC believes that sound Federal public policy concerning the retail electric market, including retail competition, cannot be made without a thorough examination of the results of the many State and Federal regulatory actions already underway; *and*

WHEREAS, Legislation has been introduced in the 104th Congress to begin its process of analyzing issues of industry structure and competition in both wholesale and retail markets; *and*

WHEREAS, The 104th Congress is to be commended for beginning the process of understanding the changes now under way in both Federally-regulated wholesale and State-regulated retail power markets and for opening a dialogue to evaluate these changes; *now, therefore, be it*

RESOLVED, That the Executive Committee of the National Association of Regulatory Utility Commissioners (NARUC), convened at its 1996 Winter Meeting in Washington, D.C., pledges its cooperation and assistance to Congress and its committees as it conducts its evaluation; *and be it further*

RESOLVED, That because State experimentation and analysis of retail issues is ongoing and because FERC's policies affecting wholesale power markets have not been implemented, the 104th Congress should not enact legislation which would impose a single approach that may ignore the differences in State and regional circumstances, or which preempts or interferes with State authority to adopt and implement policies for retail service.

Sponsored by the Committee on Electricity
Adopted February 28, 1996