

Energy Choice Matters

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Draft PUCT Order Would Set Internet Broadcast Fee at \$18,000 for Five Largest REPs

Five Texas REPs with at least 250,000 customers would each be charged \$18,000 to fund free public online broadcasting of all PUCT public meetings, under a draft order.

New PURA § 12.204 requires the Commission to broadcast via the internet all public hearings and meetings free of charge. Statute authorizes the Commission to recover costs through an assessment on a REP that serves more than 250,000 customers, a power generation company owning more than 5,000 MW of installed capacity in Texas, public utilities, and river authority corporations as defined in PURA § 32.053.

PUCT Staff said that it is in negotiations with a vendor to provide broadcasting services, and said that the total amount of the contract will be \$300,000 annually. Because the majority of the Commission's meetings relate to electric matters, Staff recommended assessing ninety percent of costs (\$270,000) to the various categories of electric entities lists above. Each category of electric businesses would be allocated \$90,000 (combining river authorities with the utilities), with the total then divided among the companies within that category. The remaining 10% would be paid by certain telecommunication companies.

Under the draft order, CPL Retail Energy, Direct Energy, Reliant Energy Retail Services, Stream Energy, and TXU Energy Retail Company would each be assessed \$18,000.

The generation category would be weighted by installed capacity, with Luminant assessed a fee of about \$36,800. NRG Energy would pay \$24,900, Calpine would pay \$16,900, and FPL Energy (NextEra) would pay \$11,500.

NEM Recommends Demand Response Load Profiles for NYISO Settlement

The New York PSC should order Consolidated Edison to develop demand response load profiles for residential and small commercial customers to facilitate demand response offerings by ESCOs, the National Energy Marketers Association said in comments on a proceeding to examine cost-effective demand response measures in Zone J (09-E-0115, Matters, 2/13/09).

A pilot program creating demand response load profiles, which would replace standard load profiles used for NYISO settlement, would be a low-cost way to permit consumers to increase their participation in demand response behavior prior to the implementation of smart meters that would precisely measure a specific customer's demand and obviate the need for load profiling, NEM said. A first generation transitional demand response load profile for residential and small businesses would establish load-shifting goals as differentiated from current standard load profiles, NEM explained.

"Simply stated, the Commission cannot rely solely on pre-existing load profiles to enable smart grid technologies and the competitive marketplace to deliver meaningful demand response. Specifically, without a new first generation demand response load profile marketers would only be in the position to offer consumers a volumetric benefit, not a price benefit, for reducing demand," NEM added.

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competitive generating firms but excluding it for monopoly utilities, while adding back write-offs of "impaired" assets by competitive generating firms;

- Including "regulatory assets" to estimate monopoly utilities return on equity;
- Failing to include capital investments in free cash flow calculations; and
- Improperly treating as a variable operating expense the cost of nuclear fuel, which should be treated as a capital investment.

Load Profiles ... from 1

NEM said there should be no significant costs associated with providing a first generation demand response load profile, which would, "provide an excellent platform to transition consumers to become even more proactive with their energy usage decisions as smart grid technologies are implemented and fully available."

With demand response load profiles, ESCOs can develop more off-peak type product offerings for customers, and buy more energy in off-peak periods, supporting both reduced usage (volumetric benefit) and a lower commodity rate (price benefit), NEM noted. An ESCO would bear the risk that its customers will not conform to the demand response load profile until smart meters, smart thermostats, or a second more accurate generation of demand response load profiles become available. If an ESCO is not conforming to the demand response load profile, the "penalty" could be to revert them to the standard load profiles currently applicable to the existing service classes of its customers, NEM suggested.

The initial PSC proceeding is focused on Zone J, but NEM recommended that its load profile suggestion be applicable at all utilities.