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Marketers answer generator's anti-market request in Maryland

A proposal made by the curiously-named Competitive Power Ventures (CPV) would have Maryland abandon the discipline of a competitive marketplace and put any possible cost and maintenance overruns of power supply on the backs of ratepayers. The plan as filed with the Maryland PSC would reportedly force utilities to sign 20-year power deals -- including one with CPV.

The energy marketers association NEM filed a petition with the PSC this week speaking out in favor of the market

and warning against CPV's plan. Not only does CPV want at least one IOU to lock in a 20-year contract for its output but the firm also wants regulators to negotiate a contract with CPV on behalf of an IOU.

"It's very disconcerting that a proposed generation unit would request mandatory contracting of its output at this stage of the market development," NEM President Craig Goodman told us yesterday. "All the risk is being carried by the ratepayers," he added.

CPV is attempting to get -- through

regulation -- what it was unable to accomplish competitively, thus shifting all the risks of its proposed generation project from investors to Maryland's consumers., said the filing.

The restructuring of the natural gas and power industries was initiated in large part because the historical cost-of-service approach to energy supply and demand facilitated a steady increase in the costs of energy for the ultimate consumer, even in times of declining natural gas wellhead prices.

"It was recognized that regulated rates are a poor proxy for the efficiencies, innovations and potential price savings yielded by competitive markets," wrote NEM. "Competitive market participants are in the best position to control supply-related risks and they do so without the requisite guaranteed return of -- and return on utility investments, all risks which CPV is proposing to be borne by captive ratepayers."

NEM asked that regulators focus on steps needed to help secure a successful market and not "short-out" a decade of effort by approving CPV's plan.

Regulators should allow competitive market forces -- rather than regulatory intervention -- to identify and meet the need for new generation investments in Maryland. "Such investments can be encouraged without the costs and risks of new regulations or investor-owned utility mandates and without stifling the development of the competitive retail energy market," wrote NEM.

[\[Comments\]](#)

Manufacturers warn of predicted costs of climate bill

The National Assn of Manufacturers (NAM) and the American Council for Capital Formation (ACCF) unveiled a study yesterday the organizations hope will put a damper on Waxman-Markey. The cap-and-trade bill looks to cut greenhouse gas emissions and was passed by the US House of Representatives earlier this year. Action from the US Senate could come as early as next month.

Some of the predictions in the study included:

- The cumulative loss in gross domestic product (GDP) reaching \$3.1 trillion from 2012 to 2030;
- The loss of 2.4 million jobs in 2030, and
- Residential power price increases up to 50% by 2030.

The study was completed using

what the groups call "assumptions" to predict the bill's impact on the manufacturing sector.

"Climate change is a very complex issue and I hope senators will look closely at this study as they consider climate change legislation this fall," said NAM VP Jay Timmons. "At a time when our country is struggling to come out of our longest and deepest economic downturn since the Great Depression, lawmakers should be focused on policies that provide incentives for businesses so they can create jobs and grow."

The organizations plan to lobby against the bill, arguing it hinders manufacturing competitions since China and India are not making similar moves.

[\[Comments\]](#)

Viridity, Siemens systems link DG to create virtual power plants

Viridity Energy and Siemens have teamed up to offer technology that links DG together to create virtual power plants that, the technology firms believe, have a competitive edge in power markets.

The virtual power plant solution offers a more effective way to integrate DG into the grid and represents a further step toward creating the smart grid, Viridity reported.

The smart grid software maker warned us to expect announcements of

several virtual power plant demonstration projects in the next few weeks -- although details of the deals including names of the clients were kept mum.

Viridity is "working on roughly a half-dozen projects using this technology," Viridity CEO Audrey Zibelman told us yesterday.

Those projects use technology to convert existing power supply networks into smart grids, said Viridity -- technology that was formed under a partnership with German firm Siemens

Energy to offer power supply firms and network operators the gear they need to implement virtual power plants using aggregated distributed generation (DG).

These virtual power plants provide opportunities in the energy market that are not open to operators of individual plants as they can be run more efficiently and more economically and deliver the associated benefits.

In a virtual power plant, various distributed power generation systems such as engine-based heating power plants,