

Friday, February 1, 2013

## JP Morgan Ventures asks FERC to OK suspension plan

JP Morgan Ventures Energy asked FERC Wednesday to approve its plan to implement the six-month suspension of its market-based rate authority, which begins April 1. The firm lost its authority to charge market-based rates in November after it reportedly failed to submit documents and allegedly submitted false information to Cal-ISO in a probe into alleged market manipulation (RT, [Nov-15](#)).

The investigation has long been known to the public, but FERC has not reached a conclusion in it yet.

The suspension was delayed until April because the firm controls generators that are very important to reliability in California -- and the delay was meant to give JP Morgan enough time to make arrangements to fulfill contractual obligations.

The firm asked for clarification on whether contracts it entered into before April 1 would be subject to the suspension, arguing the Mobile Sierra standard means they should be left in place.

FERC suspended JP Morgan's authority to sell energy, capacity and ancillary services at market-based rates for six months. The commission it could only take part in energy markets by scheduling quantities of energy products without an associated price or by

specifying a zero price in their offer. The rate received by the firm will be capped at the higher of the applicable LMP or its default energy bid.

The filing would apply to all FERC-jurisdictional sales except the existing contracts it had before the suspension date.

The firm submitted two cost-based tariffs to comply with the suspension: one for Cal-ISO and the other for its assets in all other markets.

The California tariff requires it to either submit bids at \$0/MWH or submit [Continued on page two](#)

## New GE wind turbine works well in low-wind situations

GE released its 2.5-120 wind turbine, it said yesterday, calling it the most efficient high-output wind generator available. It is the first turbine to bring together world-class efficiency and power output at low wind speeds -- capturing a 25% boost in efficiency and a 15% boost in power output compared to GE's current model, the firm said.

"Our 2.5-120 is the first wind turbine that utilizes the industrial internet to help manage the intermittency of wind, providing smooth, predictable power to the world regardless of what Mother Nature throws its way," GE VP of Renewable Energy Vic Abate said in prepared remarks.

Analyzing tens of thousands of data points every second, the 2.5-120 integrates energy storage and

advanced forecasting algorithms while communicating seamlessly with neighboring turbines, service technicians and customers, he added.

The efficiency and high output unlock higher returns for wind-farm operators at low wind-speed sites. The turbine's controls enable its 120-meter rotor, resulting in higher energy capture and greater power output at low wind speeds.

The taller tower -- its maximum hub height is 139 meters -- makes it ideal for heavily forested regions, said the firm.

The 2.5-120 minimizes sound to meet the strictest noise limits through its advanced controls technology. The new turbine is available for the 60-Hertz power systems in the US and 50-Hertz systems used in Europe.

[\[Comments\]](#)

## NEM releases codes of conduct for energy marketers, subcontractors

NEM is releasing standards of conduct for marketing energy services to coincide with NARUC's winter meetings that start this weekend. The National Marketing Standards of Conduct are practical,

straightforward and sensible safeguards to protect the consumer, protect marketers' good names and reputations and to protect the growing retail marketplace, said the retailer lobby.

All members of NEM endorse a zero-tolerance policy for any fraudulent, illegal or unethical conduct of any employee or agent, the group said. The most effective consumer protection rules are premised on the fundamental requirement of accurate affirmative statements from marketers that disclose the attributes of contracted-for products and services and likewise require accurate, affirmative statements of marketer identification, said the document.

The number-one rule in the codes of conduct is that suppliers and their agents comply with all applicable laws and regulations, said NEM. Number two and three are that suppliers shall not engage in false, misleading or deceptive conduct

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while dealing with consumers, nor shall they make false, misleading or deceptive statements to customers.

The code makes retailers responsible for any agents they hire to market their products and their training. It endorses background checks to make sure agents are appropriate for the type of conduct they are having with the public.

Suppliers shall use methods appropriate to the size and type of consumer when engaged in door-to-door, telephone, electronic and network sales and marketing.

Agents shall only make door-to-door calls in the hours permitted by local laws and ordinances, produce and display identification when asked and leave when asked.

On the phone, agents shall identify the marketer on whose behalf they are calling and identify themselves.

Electronic contracts using digital media are binding contracts subject to applicable laws and electronic signatures are binding, too.

Firms using network or relationship marketing shall not engage in telephonic or door-to-door sales techniques. Its independent representatives have to be trained on the product and terms and conditions of its sale in accordance with

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self-schedules that obligate the firm to accept the applicable LMP. The tariff will allow it to always recover the cost of providing service.

The second tariff covers other organized markets and bilateral markets. In other ISO/RTOs, JP Morgan will have to bid at the cost-based rates already on file with the market operators plus 10%. In bilateral markets, the firm will be able to charge 110% of the index price defined in the tariff.

JP Morgan believes the two tariffs will bring it into compliance with the suspension and asked that if the commission disagrees, it could rule in time for the firm to make needed adjustments.

[\[Comments\]](#)

## 2 stories in 1 minute

### Gas futures react to

**cold, then small draw:** NYMEX March natural gas futures struggled to regain ground on cold weather yesterday, slipping back into the negative before closing up, analyst Jackson Mueller reported. The front month added 0.4¢ to close at \$3.339/MMBTU. The market worked higher in early trade as the latest weather reports called very cold temperatures. The current cold proved unable to hold the market to the upside after EIA's storage report showed a smaller-than-expected withdrawal. Storage stocks sank 194-BCF in the report, just below most expectations and above historic

numbers. Total stocks are at 2,802 BCF -- 202 BCF below last year's level and 304 BCF above the five-year average.

### Michigan OKs refund for

**Consumers customers:** The Michigan PSC approved a settlement agreement to have Consumers Energy refund to its natural gas customers \$1.58 million including interest next month. The refund reflects the utility's self-implemented rate boost having been over the final amount approved by the PSC. Natural gas customers using 100 cubic-feet/month will see their bills drop 53¢ in March, the PSC said.

[\[Comments\]](#)

relevant regulations. Network marketing firms shall set up and maintain a clear channel of accountability for their agents.

Suppliers shall make accurate representations regarding their relationship with the delivery utility. Customers shall not be enrolled for competitive energy service unless they have given their consent, said the document.

Suppliers shall record, retain

and honor all valid written, verbal or electronic contracts that exist between the supplier and consumer in accordance with relevant regulations.

Customers will get the contact information for the supplier and their state regulator. Suppliers will promptly investigate and appropriately respond to consumer inquiries and complaints, it added.

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