

# State and Local Government Electric Industry Restructuring Coalition

## Statement of Principles

Consumers in several states are already beginning to choose among competing electricity providers. Moreover, retail access to competitive electricity suppliers is under serious consideration in many other states. Notwithstanding these efforts, Congress is also considering enacting legislation to overhaul existing laws governing the structure of the electric utility industry. To ensure that consumers benefit and that existing or prospective state restructuring laws are enhanced, not harmed, by any federal actions, the Coalition makes the following recommendations:

- Any action taken by Congress should enable states to restructure the electric industry but not impose a mandate on states to do so. Should Congress legislate, it must grandfather state actions to establish retail competition. The Coalition opposes any provisions that would establish a date certain for competition or only grandfather state actions temporarily.
- The safety, reliability, quality, and sustainability of services should be maintained or improved. Structural changes to the industry should not impede compliance with federal environmental laws, including the Clean Air Act.
- All consumers should have access to adequate, safe, reliable, and efficient energy services at fair and reasonable prices, as a result of competition.
- All consumers should share the benefits of structural improvements and be protected from anticompetitive behavior, undue discrimination, poor service, market power abuses, and unfair service practices.
- States should continue to have clear authority to determine costs that are stranded or made unrecoverable by retail competition and to provide for the recovery of those costs, if at all, as the state deems it necessary or appropriate.
- State and local governments must maintain their authority governing rights-of-ways, franchises, zoning or revenues.
- Actions which facilitate local, regional, or state-wide aggregation must not be precluded.
- States should maintain the authority to require public benefits programs on a nondiscriminatory basis, including those that support reliable and universal service, energy efficiency, renewable technologies, research and development, and low-income assistance. Existing federally-sponsored public benefits programs should be maintained in a restructured market.

- States should maintain the authority to establish or require comprehensive consumer education and outreach programs to minimize public confusion and provide information so consumers are able to make informed choices and participate effectively in a restructured market.
- The U.S. Department of the Treasury should promptly take administrative action to permanently preserve the tax-exempt status of existing debt associated with the transmission systems of public power utilities that choose to participate in Independent System Operators.

Members of the State and Local Government Electric Industry Restructuring Coalition include the following organizations:

- National Governors' Association
- National Conference of State Legislatures
- The Council of State Governments
- National Association of Counties
- National Association of State Energy Officials
- National League of Cities
- National Association of Towns and Townships
- National Association of Regulatory Utility Commissioners
- National Association of State Utility Consumer Advocates
- Association of State Energy Research and Technology Transfer Institutions
- National Energy Assistance Directors' Association