

Testimony of the PJM Power Providers Group
Before the Pennsylvania House Consumer Affairs Committee
House Bill 1782
November 20, 2017

The PJM Power Providers Group (P3) is a non-profit organization made up of power providers whose mission it is to promote properly designed and well-functioning competitive wholesale electricity markets in the 13-state region and the District of Columbia served by PJM Interconnection. Combined, P3 members own more than 84,000 megawatts of generation assets in PJM, produce enough power to supply over 20 million homes and employ over 40,000 people.¹

P3 supports competitive generation markets and believes that consumers benefit when generators compete to serve the needs of consumers. In 1996, the Commonwealth declared that competitive electricity markets were in the best interests of consumers and, since that time, consumers in Pennsylvania have reaped the benefits of historically low power prices, unprecedented reliability, reduced emissions and greater choice.

House Bill 1782, if enacted as currently written, would allow Pennsylvania's electricity distribution companies to own generation assets – in direct contravention to the Electric Competition on Customer Choice Act of 1996. Distributed energy resources, in the form of storage, distributed generation, demand response and energy efficiency have the ability to participate in the regional wholesale market against the very assets that the General Assembly moved out of cost of service regulation in 1996. Such a change in policy would be a significant and misguided one for the Commonwealth that should not be pursued.

Pennsylvania is rightfully proud of the numerous benefits that restructured markets have brought to the Commonwealth. Two decades of bipartisan regulatory and legislative support for electric competition has placed Pennsylvania in an envious position. As the current chair of the Pennsylvania Commission, Gladys Brown, appropriately observed, "...Pennsylvania has stood on the national forefront of electric competition, putting the power of choice in the hands of consumers and giving them greater control of their electric bills.....As result of this historic legislation, millions of electricity customers have made choices and saved money, purchased

¹The comments contained in this filing represent the position of P3 as an organization, but not necessarily the views of any particular member with respect to any issue. For more information on P3, visit www.p3powergroup.com

renewable products and explored innovative new offers and plans.”² House Bill 1782, if enacted as currently written, would be a significant step backward for the Commonwealth as it would erode the foundation upon which restructuring rests.

Accordingly, P3 offers that all references to “distributed energy resources” be removed from House Bill 1782 and the following provision added:

1330 (b)(3) No provision in this section should be construed to allow electric distribution companies to receive cost based recovery for assets that generate electricity in a manner inconsistent with the Electricity Generation Customer Choice and Competition Act (December 3, 1996, P.L.802, No.138, effective January 1, 1997).

² See, http://www.puc.pa.gov/about_puc/press_releases.aspx?ShowPR=3794.