

## **ERRC / ABACCUS Media Conference Call**

**December 7, 2009, 11:00 am CST / 12:00 pm EST**

**Speakers: Nat Treadway, Pat Wood III, Bill Massey**

### **Open Remarks of Nat Treadway**

Welcome.

My name is Nat Treadway, and I am a Managing Partner of the Distributed Energy Financial Group or DEFG. I coordinate the projects of the Energy Retailer Research Consortium, an independent research consortium comprised of energy retailers, marketers and energy solution providers.

The purpose of this call is to discuss the ABACCUS report and the state of electric industry restructuring in North America. "ABACCUS" refers to the "Annual Baseline Assessment of Choice in Canada and the United States." It is a report card on the progress of states in achieving competitive electric markets. This is the third annual report.

ABACCUS starts with the premise that you cannot understand complex market reforms by considering just one simple measure. The report assesses residential electric markets by considering two dozen dimensions of market design and performance. The process is repeated for large commercial and industrial energy consumers. The details considered include how standard or basic service is provided, whether large energy consumers can participate in power markets, and rules that facilitate or restrict competitors. We include basic measures such as number of competitors in a market, percent of customers switching providers,

and penetration of advanced meters. These elements are scored for each state, and a weighted average is calculated.

In addition to the scoring and ranking of states, the members of the research consortium apply their judgment to whether each market is excellent, good, marginal or inadequate. The report contains recommendations which are driven by the findings about what is working in one jurisdiction and could be applied to another. Greater, more universal application of good market designs will increase opportunities and lower costs for everyone.

I am fortunate to be joined on this call today by two prominent architects of electric restructuring. My remarks will be followed by those of Bill Massey, a partner with the law firm Covington and Burling, and a former commissioner of the Federal Energy Regulatory Commission. Bill is the General Counsel for COMPETE and he will talk about COMPETE's perspective on competitive retail and wholesale markets throughout the United States.

Bill will be followed by Pat Wood III of Wood3 Resources. Pat served as the chairman of the PUC of Texas as that market was restructured, and he is also a former chairman of the FERC. Pat will discuss the national issues relating to electric competition, the development of the Texas markets and renewable resource development.

We will be available for questions.

Let's begin with Bill.