

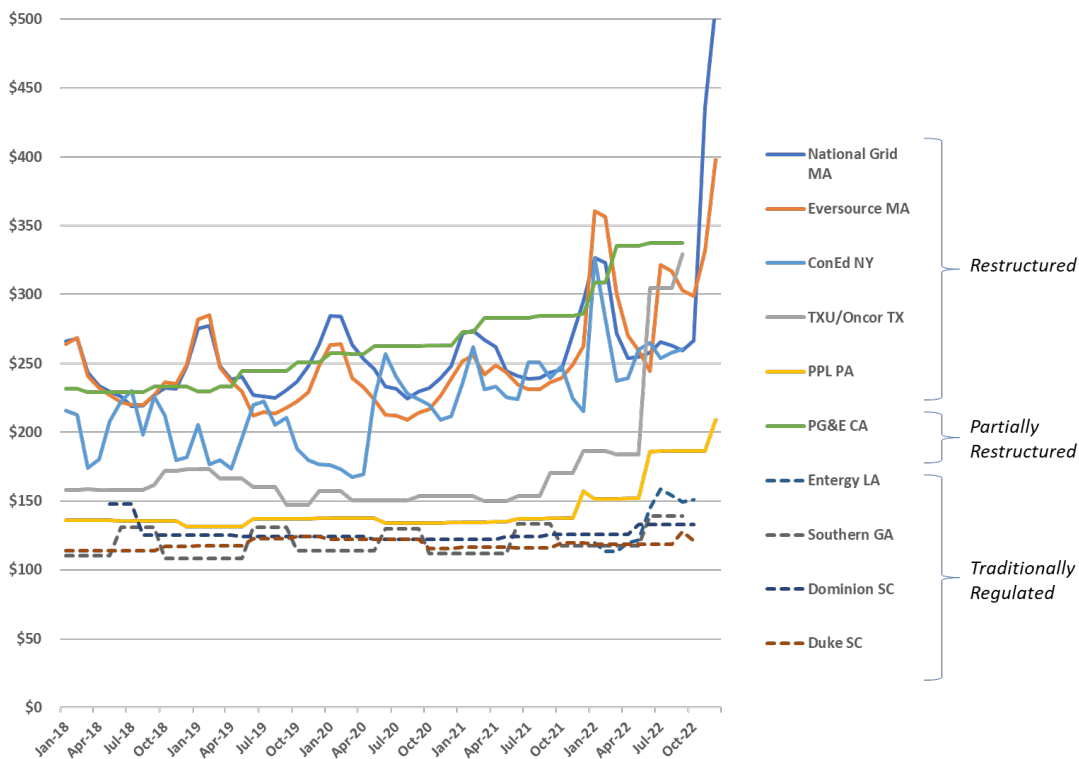
FOR IMMEDIATE RELEASE

December 1, 2022, Contact: garym@powerfortomorrow.org

**PFT REPORT: CUSTOMERS IN RESTRUCTURED STATES PAY MORE FOR ELECTRICITY!
*Ratepayers in Restructured States Exposed to Current Spike in Natural Gas Prices
While Ratepayers in Traditionally Regulated States Shielded from Natural Gas Cost Shock***

Washington, DC – Today, Power for Tomorrow (PFT) which advocates for the sensible regulation of electric utilities, released a new report examining the cost of electricity (price/kilowatt hour) for ratepayers in regulated and restructured states. PFT’s report found that customers living in restructured states are paying significantly more for electricity because of the recent spike in natural gas prices, but ratepayers living in traditionally regulated states are not experiencing this same price shock.

This new report demonstrates that allowing energy markets in restructured states to dictate electric prices, as opposed to utility regulators in traditionally regulated states, leaves customers exposed to market volatility. To demonstrate this point, below is a chart of an average monthly bill for a 1,000kwh/month residential customer that clearly shows ratepayers living in restructured markets are paying more for electricity (methodology used for this chart can be found at the bottom of this release):



“As natural gas prices surge, ratepayers in restructured states are getting hammered. Ratepayers living in traditionally regulated states are protected from these same natural gas price spikes because of sensible regulation,” said Gary Meltz, the Executive Director of Power for Tomorrow. “This study is a wakeup call for other states that are considering restructuring. Ratepayers in restructured states now have higher power bills because of the volatility of energy markets; these ratepayers would benefit from having their electricity rates set by a public utility commission.”

Key Facts About PFT's New Report

Why we choose these utilities:

The regulated states represent the utilities who are currently PFT members. The restructured states are each a single utility in the most impacted ISOs/RTOs: CAISO (PG&E CA), New York ISO (ConEd NY), ERCOT (TXU/Oncor), PJM (PPL PA), ISO New England (National Grid MA and Eversource MA).

Why ratepayers in restructured states are impacted by spiking natural gas prices:

In restructured states, the marketplace for electricity sets ratepayers price with a single, market-clearing price – which is a technical term for the highest price. As natural gas prices surge, the highest price electricity being sold to customers is produced from natural gas.

Why ratepayers in regulated states are protected from spiking natural gas prices:

In regulated states, electricity rates are set by regulators. As natural gas prices spike, the utilities are only passing the price of natural gas over to consumers commensurate with the amount of natural gas the customers use – and regulators spread those higher costs over time through gradual rate increases.

Restructured ratepayers didn't save money before these natural gas price spikes either:

A recent [Wall Street Journal analysis](#) of U.S. Energy Information Administration data reported: "U.S. consumers who signed up with retail energy companies that emerged from deregulation paid \$19.2 billion more than they would have if they'd stuck with incumbent utilities from 2010 through 2019." The Journal added that in nearly every state where third-party suppliers operate: "they have charged more than their incumbent utilities in each of the five years from 2015 through 2019."

The methodology for the chart:

The chart shows the average monthly bill for a residential customer that uses 1,000 kilowatt-hours of electricity per month in 10 different utility territories over the past five years. The data was gathered through a review of posted tariffs and information gathered by state regulators. Five of the utilities are in restructured states, one (CA) is considered partially restructured, and four are in traditionally regulated states.

About Power for Tomorrow

Power for Tomorrow is a nonpartisan 501(c)(6) organization with a mission to protect consumer interests by advancing the cause of sensible regulation of electric utilities. PFT joins the national conversation on how to protect consumers, ensure reliability and advance the development of clean energy. To learn more, visit www.powerfortomorrow.org.

###