



COMPETE

Electricity Competition **IS** the Public Interest

For Immediate Release

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ECONOMISTS URGE POLICYMAKERS TO "STAY THE COURSE" ON ELECTRICITY COMPETITION

In Open Letter, 8 Signatories State Competition Is "Providing Substantial Benefits to Electricity Consumers"

Washington, D.C., June 26, 2006 **COMPETE**, the national coalition promoting the public interest benefits of competitive electricity markets, today praised 8 noted economists for their collective support of competitive electricity markets.

In a June 26 'Open Letter to Policymakers', the economists urge continued support for the development of competitive markets for electricity: "Among economists, it is almost universally accepted that well functioning competitive electricity markets yield the greatest benefits to consumers in terms of price, investment and innovation especially when regulated alternatives are no longer warranted. And, despite currently high electricity prices in many regions, driven by very high fuel input costs used to generate electricity, we are confident that well structured markets and robust competition are providing substantial benefits to electricity consumers. More importantly, these benefits will increase over time if an effective restructuring process and competitive market implementation program continue to receive support from policymakers."

The signatories to the letter were: **Paul L. Joskow** (*Massachusetts Institute of Technology*); **Alfred E. Kahn** (*Cornell University*); **William W. Hogan** (*Harvard University*); **Peter Cramton** (*University of Maryland*); **Howard J. Axelrod** (*Energy Strategies, Inc.*); **Vernon L. Smith** (*International Foundation for Research in Experimental Economics*); **David W. DeRamus** (*Bates White, LLC*); and **Gary L. Hunt** (*Global Energy Decisions*).

"These esteemed economists understand market forces and what competition has meant to our nation's electricity consumers," said former U.S. Senator Don Nickles, **COMPETE's** chairman. "This joint statement sends a powerful message to federal and state policymakers at a time when some are questioning the benefits of competitive electricity markets. These economists answer those questions unequivocally: electricity competition is working to the benefit of consumers," Senator Nickles added.

A copy of the letter can be found at www.competecoalition.com

About **COMPETE**:

COMPETE is a coalition of 134 electricity stakeholders representing all aspects of electricity generation, transmission, distribution, and consumption who support the continued evolution of competitive electricity markets for the benefit of consumers.

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