

# **Energy Policy: Electricity**

**2008 GOPAC State and Local  
Summit**

**August 6, 2008**

# Prices Rising Across The Nation

**Power Companies Petition To Hike  
Electricity Rates Up To 29 Percent**

June 16, 2008



**Panel Sees No Way Around  
Surge in Va. Power Rates**

June 25, 2008

washingtonpost.com

**Price jolt: Electricity  
bills going up, up, up**

June 20, 2008



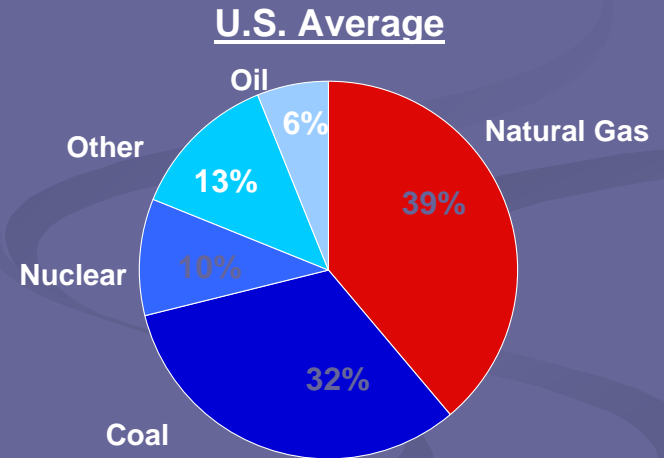
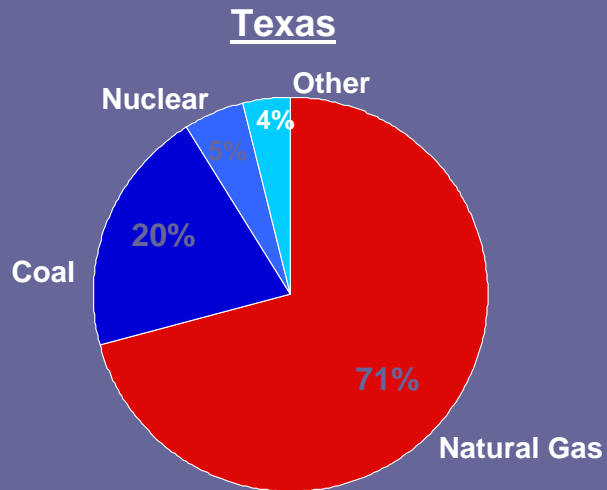
**Fuel Costs now driving up electric bills**  
Consumers from California to New York  
are facing rate increases of as much as 30 percent.

July 25,, 2008

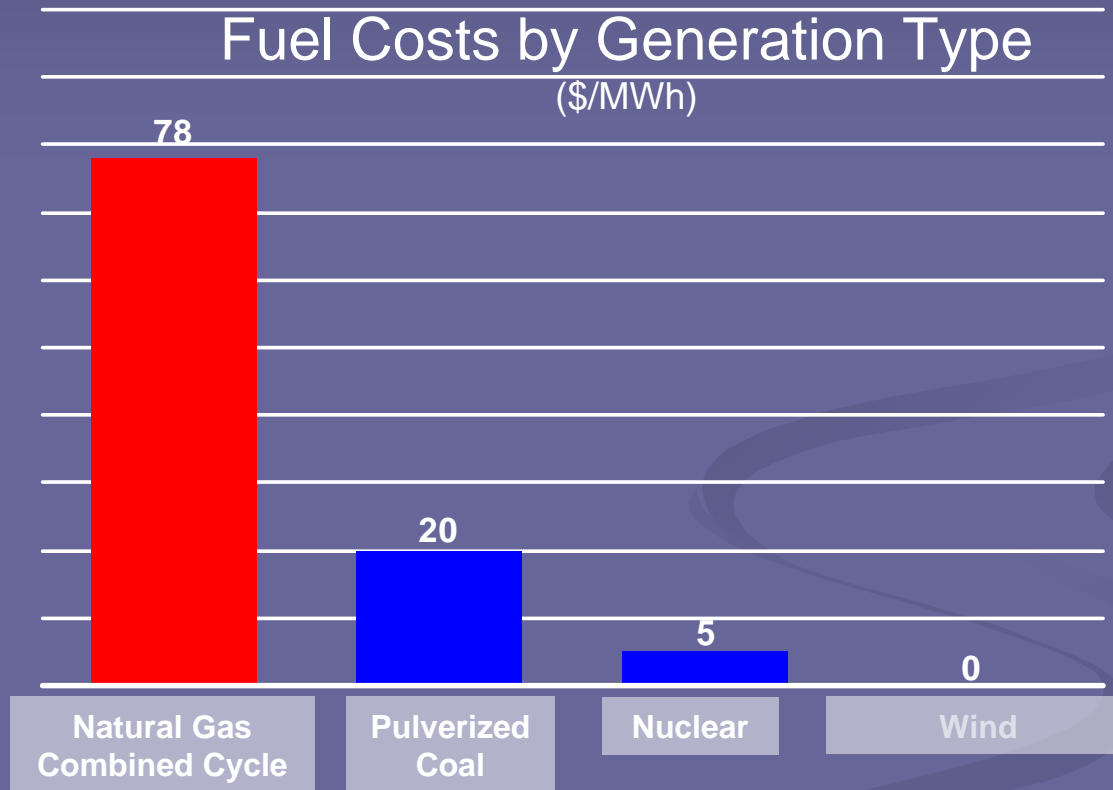
THE  
CHRISTIAN SCIENCE MONITOR

# Fuel Mix Is The Key

## Electric Generation Capacity by Fuel Source

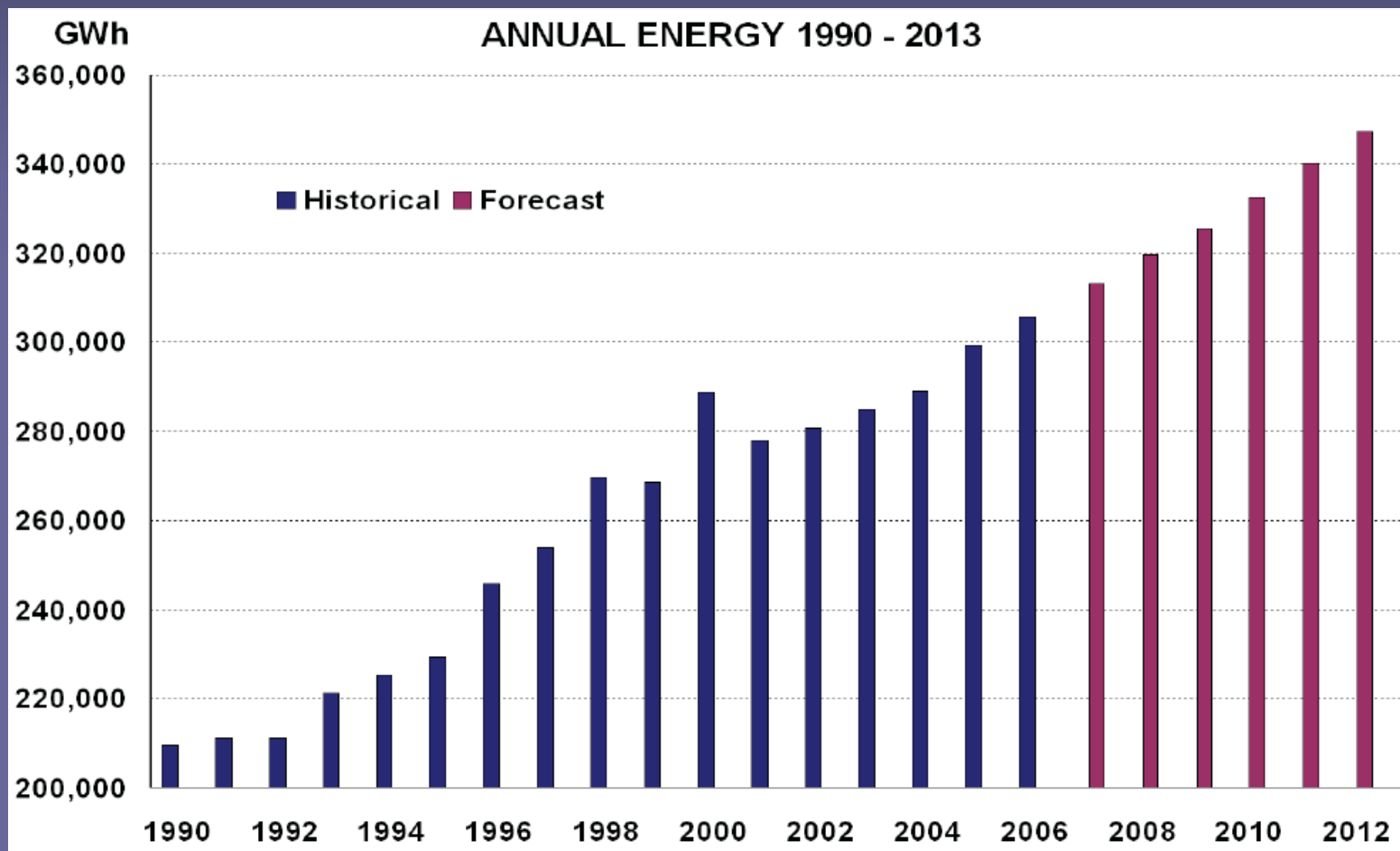


# Shop & Compare Fuel Costs Per MWh



Source: "Texas State Energy Plan," prepared by ICF International for the Governor's Competitiveness Council. "Natural Gas Combined Cycle" and "Pulverized Coal" each represents an average of available options without CO2 Sequestration.

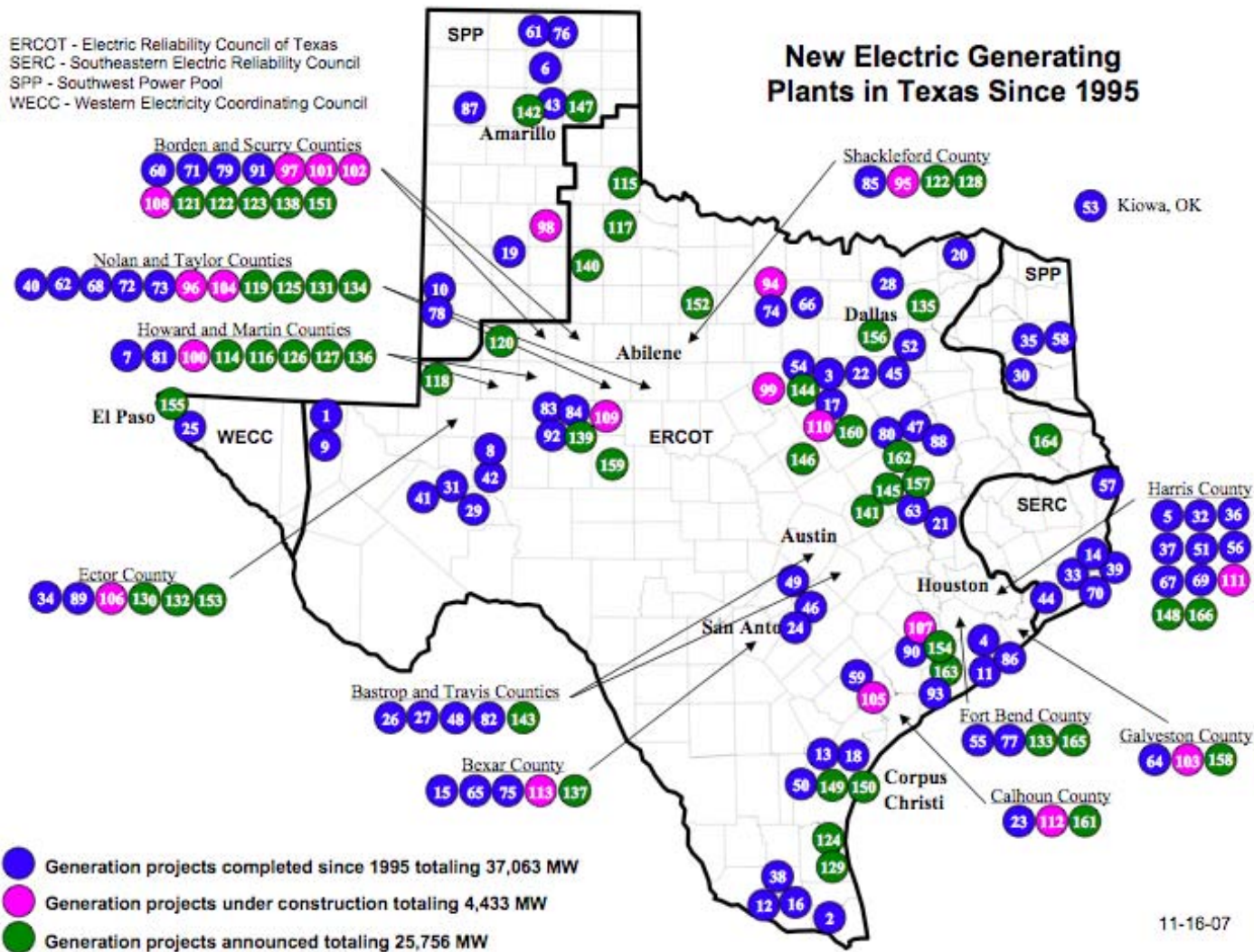
# Electric Demand Rising



*Note: The peak in electric consumption in 2000 was due to an exceptionally hot summer.*

*Source: ERCOT, "Report on Existing and Potential Electric System Constraints and Needs," December 2007*

# Wholesale Competition Works - Since 1995



# Wholesale Competition Works – Changing the Fuel Mix

## Nuclear Generation: 11,700 MW Planned

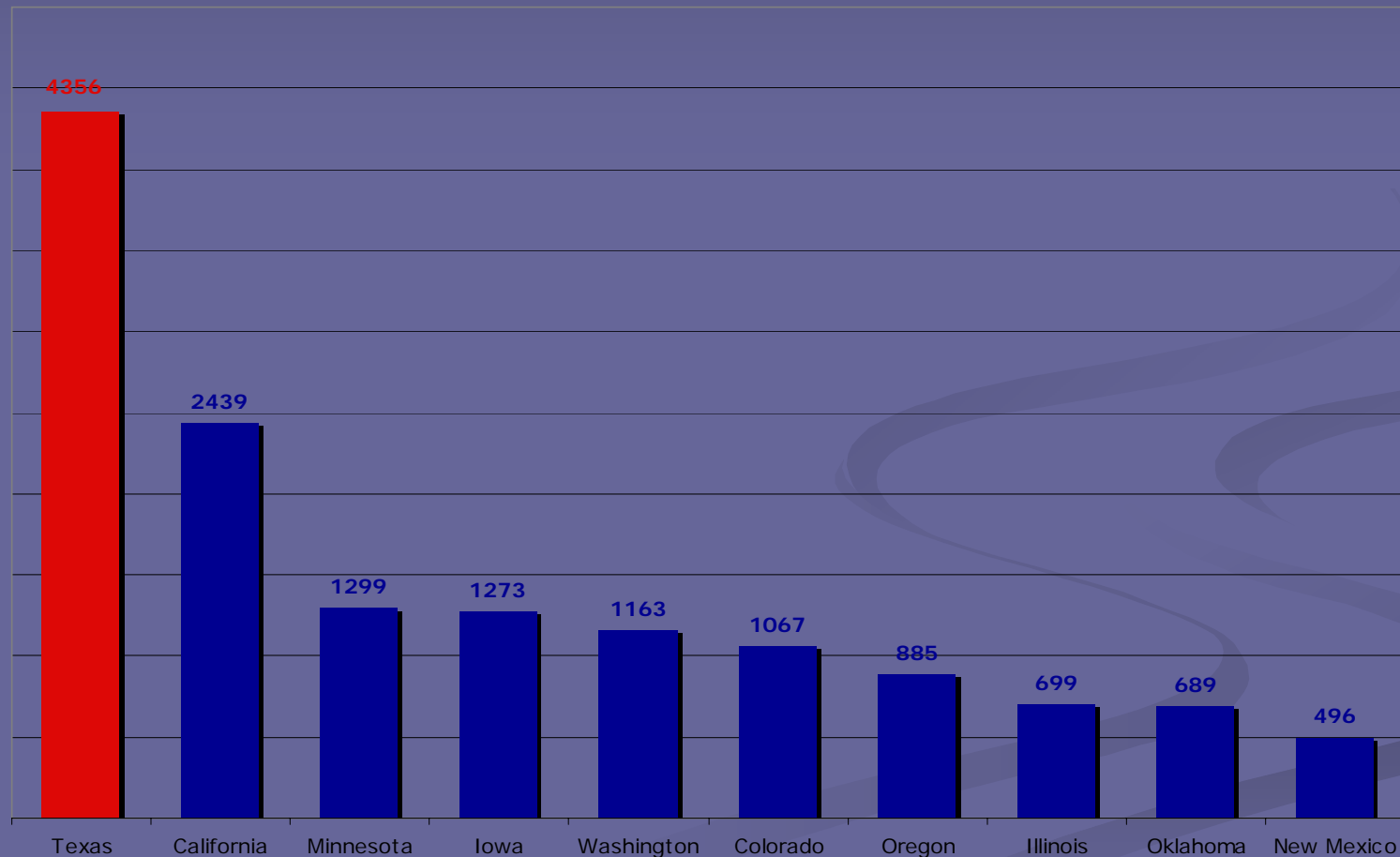
- ★ **Amarillo Power: 2 new units, 2,700 MW**
- ★ **Exelon: 2 new units, 3,040 MW**
- ★ **Luminant: 2 new units, 3,400 MW**
- ★ **NRG: 2 new units, 2,660 MW**

## Coal-Fired Generation: 5,396 MW Planned

- ★ **CPS Energy: 1 new unit, 750 MW**
- ★ **LS Power: 1 new unit, 925 MW**
- ★ **Luminant: 3 new units, 2,291 MW**
- ★ **NRG Energy: 1 new unit, 800 MW**
- ★ **PNM Resources (EnergyCo): 1 new unit, 630 MW**

# Wholesale Competition Works – The Last Shall Be First

States With Most Installed Wind Energy Capacity (MW)



Source: American Wind Energy Association, 1/16/08 ([www.awea.org/projects](http://www.awea.org/projects))

# Retail Competition Works – Prices Respond

	July 1, 2008	July 29, 2008
Natural Gas - 12-month-future price	<b>\$13.53/MMBtu</b>	<b>\$9.21/MMBtu</b>
Average 1-year locked price	<b>17.4¢/kWh</b>	<b>16¢/kWh</b>
Lowest 1-year locked	<b>15.6¢/kWh</b>	<b>13.8¢/kWh</b>
Lowest variable price	<b>15.4¢/kWh</b>	<b>14.6¢/kWh</b>

*Note: Electric prices are averaged among service territories*

*Sources: NYMEX, [www.powertochoose.org](http://www.powertochoose.org)*



**Thank You**