



COMPETITION IN THE ELECTRICITY INDUSTRY?

A Panel Discussion

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New Sources of Power


(1) Build a Generating Plant

(2) Contract for Power (PPA)

(a) With a Merchant Generator

(b) With Another Utility

(3) Buy an Existing Plant




What's the Status of Energy Policy?

Generation Overbuilt

Inadequate Transmission

Natural Gas in Short Supply at High Prices



What's the Status of Energy Policy?

(2)

More Regulatory Scrutiny

Mandatory Reliability Standards Possible

Mandatory Renewable Portfolio Standards

Increase in Environmental Protection Standards



Some States Restructured to Enable Competition

(a) Reliability

(b) Native Load Priority

(c) Resource Planning and Adequacy

(d) Pricing Transmission Expansion

(e) Cost Allocation for Existing Transmission

(f) Rate Determination for Bundled Retail Transactions

Iowa's H.F. 577

Binding Determination of Ratemaking Principle Before Investment

Utility Proposes / Commission Disposes

Utility Accepts or Rejects Commission Decision

Accept and Go or Reject and Drop Project

Accepted Principles Binding on Future Regulators




Outlook for North American Power Industry *

5 Critical Issues for Next 5 Years

- (1) Regulatory Uncertainty**
- (2) System Reliability**
- (3) Aging Physical Infrastructure**
- (4) Transmission Siting**
- (5) Financial Performance**

*** Navigant Consulting / Electric Perspectives Survey**

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Is Regulation a Substitute for Competition?

Can We Reduce Regulation as We Increase Competition?

Update and Renew the Regulatory Compact