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Contact: Mary Odbert, 916.743.3113
Jennifer Zins, 916.871.0603

CPUC VOTES TO GRANT PETITION TO OPEN INVESTIGATION INTO LIFTING SUSPENSION OF DIRECT ACCESS

San Francisco, CA – Today, the California Public Utilities Commission (CPUC) voted to grant a petition opening an investigation into lifting the suspension of direct access and restoring consumers' ability to choose electric service providers.

In December a petition was filed with the CPUC asking they open an investigation into the continued suspension of the right to direct access and choice in energy suppliers. Two hundred and six petitioners representing a wide range of public and private entities and varying from small to multi-national organizations signed on to the petition. Those groups which represent K-12 schools, universities, local governments, retailers, restaurants, manufacturing, health systems and electric suppliers all seek to reestablish the right to energy choice currently denied to all but a few existing direct access customers.

"The response from the Commissioners indicates they agree a discussion about the suspension is past due," said Bill Dombrowski, President and Chief Executive Officer of the California Retailers Association and Chair of the Alliance for Cooperative Energy Solutions (ACES). "Customers have been unable to exercise their rights for too long and unable to reap the benefits of those rights. Hopefully, this is the first step in the process of reestablishing electric energy choice."

On April 24, 2007, CPUC Commissioner and President Michael R. Peevey issued a proposed decision on this issue. In the proposed decision, he recommended opening the investigation and beginning a rulemaking process, which will determine under what conditions direct access will be restored. Following that proposed decision, the issue was placed on the agenda for today's meeting.

The rulemaking process that will follow will include three phases ranging from the determination of the CPUC's legal authority to reopen the market, moving through establishing the benefits of an open market structure to customers and concluding with the precise rules for how to exercise competitive options.

In 2001, the state legislature imposed a suspension of Californian's right to choose their electric energy supplier. This was designed to be a temporary step to enable the state to ensure all customers shared in the costs incurred to buy electricity during the wholesale energy crisis and gain time to stabilize the affected wholesale market. Those steps and more have been taken to insure the safety of the energy market, yet the suspension has not been lifted.

"It is clear by today's vote, that the CPUC understands that Californians want the right to choose their electric service provider" continued Dombrowski. "ACES members applaud

the decision by the CPUC today and know they will take this decision and the subsequent investigation very seriously.”

The Alliance for Cooperative Energy Solutions (ACES) is a coalition of entities that support a return to direct access and the re-opening of the retail energy market. ACES members represent nearly all industries in California and include schools, hospitals, grocery stores, hotels, local governments, manufacturers, wineries, universities, school districts and homeowners.

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