

FOR IMMEDIATE RELEASE May 16, 2012 A Revealed of the second secon

MEDIA CONTACTS: Bryan Lee (RESA), 301-717-2988 Andrea Morrison (AReM), 916-759-7052

CALIFORNIA PUC REPORT ILLUSTRATES STRONG DEMAND FOR RETAIL ELECTRICITY CHOICE IN CALIFORNIA

HARRISBURG, PA — A new analysis by staff at the California Public Utilities Commission (CPUC) provides striking evidence of the huge demand for retail electricity choice in California. The data, compiled in response to a motion filed by the Retail Energy Supply Association (RESA), Alliance for Retail Energy Markets (AReM), and Direct Access Customer Coalition, show that the most recent opportunity to enroll in direct access was oversubscribed within a matter of seconds.

"The results are compelling and incontrovertible. We've consistently seen that customer demand for competitive electricity supply options dramatically exceeds the limited amount permissible under the statutory cap. California electricity customers are being denied the right to choose competitive retail product offerings due to legal mandates that woefully fail to satisfy pent-up demand," said Tim LoCascio, RESA's California State Chair.

The status report compiled by the CPUC's Energy Division details the enrollment process that took place on January 13, 2012, for the limited direct access opportunity provided for customers beginning with service in the years 2012 and 2013. The report shows that the limited direct access opportunity for Pacific Gas & Electric was oversubscribed in less than 6 seconds, while San Diego Gas & Electric's load cap for both 2012 and 2013 was met in just 24 seconds. Southern California Edison's load caps for 2012 and 2013 were exhausted in 47 and 45 seconds, respectively. The results were similar to the previous three enrollment opportunities.

The report indicates nearly 29,000 enrollment requests for direct access were denied after the arbitrary limits placed on retail choice in California were reached. This marks the fourth and final phase-in of the direct access opportunities permitted by Senate Bill 695, signed into law on October 11, 2009. Absent new legislation, there will be no further, significant opportunities for California energy-users to shop for electric supply options other than those provided by the local utility. "Now that the cap has been fully subscribed, we know that demand for electric choice in California is both substantial and persistent," said Andrea Morrison, President of the Alliance for Retail Energy Markets. "Senate Bill 695 provided non-residential customers with very limited access to competitive suppliers. That was a step in the right direction, but as these results show it clearly did not go far enough in providing choice to California energy consumers. The cap is far too low and denies thousands of customers in California the right to choose their own electricity provider."

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About RESA

RESA represents competitive energy suppliers dedicated to creating and sustaining vibrantly competitive electricity markets for the benefit of consumers. RESA's members include: Champion Energy Services, LLC; ConEdison Solutions; Constellation NewEnergy, Inc.; Direct Energy Services, LLC; Energetix, Inc.; Energy Plus Holdings LLC; Exelon Energy Company; GDF SUEZ Energy Resources NA, Inc.; Green Mountain Energy Company; Hess Corporation; Integrys Energy Services, Inc.; Just Energy; Liberty Power; MC Squared Energy Services, LLC; Mint Energy, LLC; NextEra Energy Services; Noble Americas Energy Solutions LLC; PPL EnergyPlus, LLC; Reliant; Stream Energy; TransCanada Power Marketing Ltd. and TriEagle Energy, L.P.. For more information about RESA, please contact Tracy McCormick, Executive Director, at (717) 566-5405, or visit www.resausa.org.

About AReM

The Alliance for Retail Energy Markets is a mutual benefit corporation that advocates for continued development of successful customer choice in California's retail energy markets and provides a focused voice for competitive energy retailers and their customers in selected public policy forums on the state level. The Alliance members are Constellation NewEnergy, Direct Energy and Noble Americas Energy Solutions, who collectively serve the majority of competitively served electric load in California. For more information about AReM, please contact Andrea Morrison, President, at (916) 759-7052, or visit <u>www.retailenergymarkets.com</u>.