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SaveOnEnergy sets sights on every open market in America

CEO Moore envisions national brand awareness

SaveOnEnergy.com plans to expand into every state with deregulated power and natural gas markets over the next two-years, its CEO Brent Moore told us yesterday.

The firm's exchange portal (RT, [Oct-10](#)) has been working extremely well and it believes it can bring that success to other markets, generating sales leads for retailers.

SaveOnEnergy.com has improved its technology, built up brand awareness in Texas and just closed on \$2.4 million in funding to help the expansion.

New York and Illinois are first on the list for new markets but Moore said the firm plans to look towards

Connecticut, Maine and any other state where a market exists.

"The more success we can have in some of these markets like Texas and New York, I think we'll get to a point where we've got a structure down that we know will work in any market," said Moore.

SaveOnEnergy.com isn't to the point where it's certain it will be successful in every deregulated market but Moore said it was on the right path.

He has "a sense that we're onto something good" due to the "willingness from the energy companies to participate," he added.

"We've had a lot of interest with them basically pushing us into these other states."

That includes states such as Georgia that are only active on the gas side -- and eventually it could include California where debate on lifting the ban on retail marketing is under way.

Moore and his team are watching market developments in the states closely, with some considering abandoning deregulation and others already having done so.

Despite some states sitting on the fence, Moore is confident energy markets will ultimately thrive.

"Even if we ended up in five good states, that would be fine with us -- but we're certainly going to take a look at any state that's got even a sliver of potential," said Moore.

Eventually he would like to see SaveOnEnergy.com resemble Priceline.com or Lendingtree.com -- websites most consumers know about and use frequently.

To get there, the firm will have to invest the money and time to build up its brand -- and the competitive retail energy markets in many jurisdictions will need to mature.

[\[Comments\]](#)

PJM has about 20% reserve margin over summer peaks

PJM believes it will have enough power supply to make it through the hottest parts of this summer, it said yesterday.

Peak power use is expected to be higher than last year but lower than the all-time record set in 2006.

"System operators both at PJM and our members are prepared to handle the challenges the summer may bring," said PJM Senior Vice President of Operations Michael Kormos.

But "to ensure reliable power supplies for future summers we'll need additional supply resources and additions to the transmission system."

The projected weather-adjusted peak this summer is 137,950 mw.

PJM has 159,780 of committed capacity, leaving a reserve of 19.7%.

This year's projected peak represents growth of 1.4% or 1,850 mw over last year's weather adjusted level of 136,100 mw.

The all-time peak of 144,644 mw was set in 2006. PJM's Reliability Pricing Model requires generation owners to commit their capacity to PJM for a year -- when previously they could export power if an opportunity to make more money arose.

The capacity market secured 4,460 mw of emergency load management for this summer, a doubling of the level present last summer.

[\[Comments\]](#)

P3 report urges giving PJM's RPM a chance to work

Challenges to PJM's Reliability Pricing Model are premature and putting the program at risk, said a study by CRA International's Robert Stoddard for the PJM Power Providers Group (P3).

"Capacity markets are a necessary component of a healthy marketplace and as this study demonstrates, the benefits to consumers can be significant if RPM is allowed to work as designed," said P3 President Glen Thomas.

PJM has only run transitional auctions in the Reliability Pricing Model (RPM) that have been as little as a few months to two-years ahead of when capacity resources would be needed.

RPM was designed to hold auctions three-years in advance to let new

resources compete. The first auction with three-years advancing happens this week.

Outcomes of transitional auctions were in line with expectations.

When the installed reserve margin was reached, prices were below the cost of new entry (CONE).

That's the price a firm would need to recoup its investment on a new, efficient peaker.

It's been reached in some constrained areas and the entire footprint for the 2010-2011 delivery year.

The Southwest MACC region saw prices well exceed CONE in two auctions but it didn't get any new resources signing up.

That could be because new plants

didn't have enough time to compete, generation builders were worried about the market staying untouched or from non-price barriers.

Another possible explanation is that the values the RTO put down for CONE weren't enough to actually recoup the cost of a new plant.

"The RPM design has been in place for less than a year and there is substantial evidence to believe it is working reasonably well and can, with modest improvements, work even better," said Stoddard.

"If this system is given the proper opportunity, it can potentially save consumers a great deal."

[\[Comments\]](#)

National Grid's proposed efficiency plan covers next four decades

National Grid expanded its Upstate New York portfolio of energy efficiency programs, calling the effort "The Power of Action."

The campaign complements National Grid's recent announcement of a planned 80% cut greenhouse gas emissions by 2050. Under this new initiative, National Grid will adopt "carbon budgets" to limit the greenhouse gas emissions from each segment of the firm's business.

The proposal is consistent with a recent report co-sponsored by National Grid pointing to the potential of energy efficiency measures as the most cost-effective option for mitigating climate change.

The firm projected its customers could cut energy use by about 4.4 million mwh of power and 8.5 million btus of natural gas, saving some \$350 million over the lifetime of the efficiency products and equipment provided through the programs.

The programs include home weatherization, incentives to buy efficient appliances, interactive online efficiency tools, system infrastructure and co-generation opportunities for C&I and municipal customers and added funding for low-income programs.

"As part of its energy and environmental policy, the State of New York has set an ambitious goal of reducing energy usage 15% by 2015," said Tom King, president of National Grid in the US. "National Grid is proposing these expanded energy efficiency programs for our customers so that we can together take action to achieve this goal."

[\[Comments\]](#)

Illinois IOUs work to meet state's new renewable standard

The Illinois Commerce Commission gave the thumbs up to some renewable energy purchases required under the terms of the 2007 Illinois Power Agency Act.

Both Ameren Illinois and Commonwealth Edison made purchases in April, with Ameren coming out of the procurement process with lower prices.

The transactions are for June 2008 to May 2009.

The Illinois Power Agency Act established a renewable portfolio standard (RPS) mandating that a percentage of the state's energy supply for retail customers come from renewable resources.

Both firms this year bought a share of the energy needed with

ComEd buying about 14% of its customer load and Ameren Illinois securing about 10%.

Illinois law requires that from June 2008 through May 2009, utilities have to buy renewable energy or renewable energy credits equal to 2% of the amount of power supplied to eligible retail customers in the prior planning year -- and that a minimum of 75% of the energy be from wind resources.

The law states a preference for renewable energy resources from within Illinois and adjoining states.

Firms meeting the RPS aren't allowed to cause a rate hike over 0.5%/kwh of the amount paid by customers in the previous year.

[\[Comments\]](#)

Load weighted averages of winning bid prices

REC class	Ameren Illinois \$/REC	ComEd \$/REC
Illinois wind	29.32	35.72
Illinois non-wind	17.50	21.85
Adjacent state wind	21.20	18.35
Adjacent state non-wind	5.50	5.74
Other state wind	5.65	7.34
Other state non wind	NA	4.25

Source: Illinois Commerce Commission

Ameren Procurement on April 14, ConEd on April 23

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2 stories in 1 minute

June gas contract

ends week on a rally: The NYMEX June natural gas contract rose Friday along with a strong commodities rally to wrap up a wild week on the futures market, analyst Jackson Mueller reported. The front month added 21.6¢ to close the week at \$10.777.

AARP balks at smart

grid surcharge: The Illinois chapter of the American Assn for Retired Persons (AARP) is mobilizing against a rate rise proposed by Commonwealth Edison. The utility asked the regulators to approve a surcharge for customers to pay for new investments in technology that it called unrelated to basic electric services -- such as "smart grid," said AARP. Rates consumers already pay for storm related damages would be raised, too.

[\[Comments\]](#)

EnerNOC buys Baltimore procurement firm South River Consulting

EnerNOC bought South River Consulting -- a Baltimore-based energy procurement and risk management services provider.

The deal strengthens EnerNOC's position in the rapidly growing energy procurement services market and provides a local presence for EnerNOC in the PJM region.

"Strengthening our energy procurement service capabilities will expand and enhance the value that we can deliver to our customers," said EnerNOC CEO Tim Healy.

"By integrating South River's wholesale market knowledge and technology platform with our own technologies and expertise in deregulated market dynamics, we will strengthen our portfolio of energy management solutions and further differentiate ourselves from the competition."

Customers of both firms will have access to services offered by both firms.

The merger isn't a trip to the unknown for the two firm's as they've worked together with clients in the past. "We've seen firsthand the value that

Oregon market keeps growing though slowdown prevails

Rise in Oregon power shopping in April masks slight drop in percentage of shoppers.

Portland General Electric added 535 shopping customers last month while the state's other big utility, Pacific Power & Light added 290.

A calming of the market was seen in recent months though January was a good month for the firms, adding 1,002 and 613 new shoppers respectively.

December was even better with

1,417 shoppers at PGE and 359 at PPL.

The numbers in February were 352 added for PGE and 39 for PPL. The slowing continued in March with 225 more customers for PGE while PP&L dipped by 65.

As for the percentages, shopping at PGE ended at 19.6% -- 0.3% lower than March while PP&L came in at 0.7% for April, unchanged from recent months.

[\[Comments\]](#)

Oregon power shopping - April 2008

C&I direct access load	Cost of service	Market options	Direct access		
Portland General	80.0%	0.4%	19.6%		
Pacific Power & Light	99.3%	0.0%	0.7%		
Portfolio options	Portland General		PP&L		
	Customers	Customer %	Customers	Customer %	
Fixed renewable	10,634	1.3%	7,152	1.3%	
Renewable usage	48,879	6.2%	19,486	3.6%	
Renewable future	2,970	0.2%	-	0.0%	
Habitat	-	0.0%	4,504	0.8%	
Habitat rider **	9,168	1.1%	-		
Time of use	2,005	0.3%	1,568	0.3%	
Total choosing	73,656	9.3%	32,710	6.0%	
Total eligible	792,788		548,164	*	

Source: Oregon PUC Electric Rates & Planning

* As of Jan 31, 2008

** Available to existing renewable customers only.

our joint partnership can bring to our customers," said South River's co-founder Bert Wilson. EnerNOC previously bought energy procurement services provider MDenergy in September 2007 (RT, [Sep-18](#)).

Tell us what you think. We want to hear from you. Send your comments, questions and suggestions about this issue of *Restructuring Today* to editor@restructuringtoday.com.

Abbreviations: To see a glossary of *Restructuring Today's* abbreviations, go to www.restructuringtoday.com/glossary.

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