

Tuesday October 21 2008

## NEMA cites economic collapse in membership growth

NEMA's membership grew by three firms in the last month, said the energy marketer association.

"Since this economic collapse and the heightened interest in energy and regulation and deregulation, our membership organization has been growing," NEMA president Craig Goodman told us yesterday.

"Frankly I'm very concerned about the economic situation but at the same time I am very pleased that energy, energy independence and the role of

competition in the marketplace are heightened because of this presidential election and our new members and our prospective members have increased more than we've seen in many years."

Recent news reports cited marketers having trouble with the credit crunch. And while that would seem to be expected under current economic condition, NEMA has seen the reverse with some marketers.

"A very fundamental part of our

business but what we are finding is stronger and stronger marketers with better balance sheets are coming into the marketplace," said Goodman.

"New sources of capital are being accessed for marketers to come into the marketplace and our members' business models are extremely strong because they typically, in terms of retail marketers, are not in the wholesale hedging, trading and speculating businesses."

[\[Comments\]](#)

## Are ISOs complying now with new FERC scarcity pricing rules?

Each RTO and ISO will be able to come up with its own plans for implementing FERC's recent directive to start scarcity pricing -- but they have to follow certain criteria.

The California ISO, ISO New England and the Midwest ISO believe they will already be in compliance, said FERC in its order on wholesale market reforms -- posted late Friday.

Cal-ISO is planning to implement a demand curve for reserves within 12 months of the launch of its Market Redesign & Technology Update.

MISO's ancillary services market has a demand curve for operating reserves and ISO-NE has a similar mechanism, leading both to believe they are in compliance now.

RTOs will have to show that they have accurate market mitigation procedures in place to prevent manipulation during shortages.

FERC doesn't set a secondary shortage price cap but none of the approaches it advocates would preclude one either.

Letting bids rise above existing caps doesn't limit another one as many curves for operating reserves include caps and allowing a payment for DR to set the clearing price doesn't preclude them.

Another approach is raising price caps for DR and not generation.

Having advanced meters fully deployed isn't needed to curtail scarcity

pricing's impact either and FERC argued that the DR of a few users benefits the entire market.

FERC tried to make the case that higher monthly power bills by themselves will make consumers turn down their air conditioners at peak hours.

Commissioner Suedeen Kelly argued that scarcity pricing is too dangerous to implement without a full rollout of DR -- something that's years away.

Any proposal will have to boost reliability by cutting demand and boosting generation during shortage

periods. They will have to make it worthwhile for customers to invest in DR technologies and encourage existing generators and DR providers to stay in business.

Proposals will have to encourage new generation and DR providers to start up and provide comparable treatment to DR during shortage periods.

RTOs will need to have mitigation proposals in place and the commission is looking for input from their market monitors on those.

[\[Comments\]](#)

## Report probes uphill fight to change use behaviors

Just telling consumers to cut back on energy use won't work since it flies in the face of their nature, said an EcoAlign report by cultural anthropologist Pippa Trench.

Instead, the focus should shift to the nature and quality of consumption, said the report called "Visibility, Ambivalence and Trust: Cultural Stumbling Blocks to Greater Household Energy Efficiency."

Going green and accepting responsibility for one's impact on global warming has been a growing trend among consumers. But actual action is generally confined to older and wealthier consumers with most seeing green options as costly and inconvenient.

"Information and education alone are not enough. Energy efficiency must be

visible and consumable," said Trench.

"Utilities, manufacturers and retailers, as well as consumers, have a role to play in developing innovations that effectively allow people to consume, display and exchange energy efficiency in a way that is visible and valued within society on a day-to-day basis."

Consumers need to consume to survive, said the report, since buying shelter, food and energy are all vital, explaining the failure of just telling them to cut back. Because they have to consume, telling customers to cut back leaves them feeling ambivalent about making a difference.

Most energy use is invisible to the outside world. It's impossible to see whether a neighbor turns down his