
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 784 Session of
2008

INTRODUCED BY BEYER, ARGALL, BEAR, BIANCUCCI, CALTAGIRONE,
CLYMER, CUTLER, DALEY, DeLUCA, FAIRCHILD, FLECK, FRANKEL,
FREEMAN, GEIST, GEORGE, GRELL, HICKERNELL, KORTZ, McILHATTAN,
MELIO, MENSCH, MOUL, MOYER, MUNDY, NAILOR, M. O'BRIEN,
O'NEILL, PICKETT, READSHAW, REICHLEY, RUBLEY, SCAVELLO,
SIPTROTH, SOLOBAY, SURRA, J. TAYLOR, WATSON, J. WHITE,
WOJNAROSKI, YOUNGBLOOD, MURT AND CONKLIN, JUNE 10, 2008

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, JUNE 10, 2008

A CONCURRENT RESOLUTION

1 Establishing a task force to examine and make recommendations
2 that the General Assembly may take to provide meaningful
3 mitigation of electric rate increases for residential,
4 commercial and industrial customers for the period following
5 the expiration of electricity rate caps.

6 WHEREAS, The Electricity Generation Customer Choice and
7 Competition Act was enacted by the General Assembly on December
8 3, 2006; and

9 WHEREAS, The intended purpose of this law was to foster
10 competition in the generation and retail sale of electricity;
11 and

12 WHEREAS, Among other things, it is the declared policy of
13 this law that:

14 (1) The cost of electricity is an important factor in
15 decisions made by businesses concerning locating, expanding
16 and retaining facilities in this Commonwealth.

17 (2) Electric service is essential to the health and

1 well-being of residents, to public safety and to orderly
2 economic development, and electric service should be
3 available to all customers on reasonable terms and
4 conditions;

5 and

6 WHEREAS, It is the declared policy of this law that this
7 Commonwealth must begin the transition from regulation to
8 greater competition in the electricity generation market to
9 benefit all classes of customers and to protect the
10 Commonwealth's ability to compete in the national and
11 international marketplace for industry and jobs; and

12 WHEREAS, The Electricity Generation Customer Choice and
13 Competition Act also statutorily enacted limitations on the
14 level of rates imposed upon consumers for electrical generation
15 charges for a stated transition period; and

16 WHEREAS, The electricity rate caps that were enacted in 1996
17 and subsequently extended by the Pennsylvania Public Utility
18 Commission in litigated proceedings are set to expire in 2009
19 and 2010; and

20 WHEREAS, Wholesale rates for electricity are now expected to
21 be far in excess of the rates that most parties had predicted in
22 proceedings before the Pennsylvania Public Utility Commission in
23 1997 and 1998 to implement the Electricity Generation Customer
24 Choice and Competition Act; and

25 WHEREAS, In the absence of mitigation measures, the
26 expiration of the electricity rate caps, as experienced in other
27 states and as predicted to happen in this Commonwealth, will
28 likely result in a significant increase to residential,
29 commercial and industrial customers' electric bills, which
30 reflects current open-market prices that have increased during

1 the years the electricity rate caps have been in place; and

2 WHEREAS, In the absence of mitigation measures, electric rate
3 increases following rate cap expirations will be of a magnitude
4 that will cause deterioration in the well-being of residents and
5 in the economic competitiveness of businesses in this
6 Commonwealth; and

7 WHEREAS, The General Assembly has a sincere interest in
8 effectively minimizing significant increases to consumers'
9 electric bills; and

10 WHEREAS, Before the Electricity Generation Customer Choice
11 and Competition Act was enacted, the Governor of the
12 Commonwealth directed the Pennsylvania Public Utility Commission
13 to convene a working group of stakeholders, including
14 representatives from consumer groups, and utilities, among
15 others; and

16 WHEREAS, This working group provided invaluable insight and
17 assisted in the making of this important law, including the
18 imposition of electricity rate caps; therefore be it

19 RESOLVED (the Senate concurring), That the General Assembly
20 of the Commonwealth of Pennsylvania create a task force to issue
21 recommendations to the President pro tempore, the Majority
22 Leader, the Minority Leader, and the chairman of the Consumer
23 Protection and Professional Licensure Committee of the Senate,
24 the Speaker, the Majority Leader, the Minority Leader and the
25 chairman of the Consumers Affairs Committee of the House of
26 Representatives regarding measures that may be taken to minimize
27 the impact of the electricity rate cap expirations on
28 residential, commercial and industrial customers in this
29 Commonwealth; and be it further

30 RESOLVED, That the task force specifically consider the

1 impact of the electricity rate cap expiration upon all consumer
2 classes in this Commonwealth; and be it further

3 RESOLVED, That the task force also specifically consider the
4 impact of the electric rate cap expiration upon electric
5 distribution companies and the owners of electric generation, in
6 particular those owners affiliated with electric distribution
7 companies; and be it further

8 RESOLVED, That the importance of mitigation of electric rate
9 increases compels that the task force be named and convened at
10 the earliest practicable time and proceed expeditiously and with
11 diligence to consider these matters; and be it further

12 RESOLVED, That the task force shall be comprised of the
13 following:

14 (1) The Chairman of the Pennsylvania Public Utility
15 Commission, who shall be chairman of the task force and whose
16 responsibilities shall be to facilitate the discussion of
17 potential measures that may be considered to mitigate
18 electric rates and to complete and issue a report to the
19 following on the recommendations of the parties:

20 (i) The President pro tempore of the Senate.

21 (ii) The Majority and Minority Leaders of the
22 Senate.

23 (iii) The chairman and minority chairman of the
24 Committee on Consumer Affairs and Professional Licensure
25 of the Senate.

26 (iv) The Speaker of the House of Representatives.

27 (v) The Majority and Minority Leaders of the House of
28 Representatives.

29 (vi) The chairman and minority chairman of the
30 Committee on Consumer Affairs in the House of

Representatives.

(2) Three voting members who shall represent the interests of the residential, commercial and industrial consumers, specifically, the Office of Consumer Advocate, the Office of Small Business Advocate and the Industrial Energy Consumers of Pennsylvania.

(3) Three voting members who shall represent the interests, respectively, of the generation companies with an affiliate-owning generation that was formerly subject to cost-of-service regulation under a subsidiary of the same parent company, the generation companies without an affiliate-owning generation that was formerly subject to cost-of-service regulation under a subsidiary of the same parent company, and the distribution companies, specifically, the Electric Power Generation Association, a generation owner to be named by the chairman of the task force and the Energy Association of Pennsylvania;

and be it further

RESOLVED, That the task force shall complete its work no later than December 30, 2008.