

AMERICAN ANTITRUST INSTITUTE

Annual Energy Roundtable

ENERGY SUBSIDIES AND RESOURCE MANDATES: ARE THEY ESSENTIAL TO ELECTRICITY REFORM OR AN IMPEDIMENT TO WHOLESALE COMPETITION?

**Tuesday, April 12, 2011
National Rural Electric Cooperative Association
4301 Wilson Blvd. Arlington, VA
(by invitation)**

OVERVIEW

The AAI marks its 11th annual Roundtable¹ by gathering experts in antitrust and regulation from government, industry, academia, and advocacy to discuss major competition policy issues involving electricity and energy. The roundtable will examine the role of market interventions in moving the U.S. electricity industry to a lower-carbon, more efficient sector, with a focus on wholesale market competition and benefits to consumers. Fuel subsidies, demand-side resource mandates, locational capacity requirements, and renewable and efficiency portfolio standards are methods of modifying the electricity supply portfolio to achieve current energy and electricity policy goals. But market interventions can also create barriers to entry and distort price signals that create inefficiency and opportunities for the exercise of market power. The day will start with an overview of the increasingly complex picture surrounding state and federal external market interventions. We will then explore their major competitive implications for electricity markets, including effects on prices, entry, changes in resource allocation, transmission planning and expansion, and strategic competitive behavior.

The AAI thanks the sponsors of this event:

- American Public Power Association
- National Rural Electric Cooperative Association

¹ AAI roundtable discussions are off-the-record. A rapporteur's summary of the proceedings (without attribution to individual speakers) will be made available shortly after the roundtable.

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AGENDA

8:30 a.m.	MORNING REFRESHMENTS
9:00 a.m.	INTRODUCTION Diana Moss, Vice President and Director, American Antitrust Institute
9:10 a.m.	THE YEAR IN REVIEW Sue Kelly, Senior Vice President Policy Analysis and General Counsel, American Public Power Association
9:40 a.m.	MORNING PANEL Assessing the Array of Subsidies, Mandates and Requirements that Affect Electricity Markets: What is the State of Play? The morning session will focus on the broadening and increasingly complex picture surrounding the role of various state and federal mandates, requirements, and subsidy programs. In this session, we will ask a number of questions. <ul style="list-style-type: none">• What programs and initiatives are important to watch? How have they changed over time, and how is their success being measured?• How do differing state approaches affect how market players participate in electricity markets in Regional Transmission Organizations?• What are the evolving tradeoffs between the positive and negative effects of various mandates and requirements on wholesale power markets? How should this balancing be factored into competition and energy policy objectives? SPEAKERS: Dr. Karen Palmer Senior Fellow, Resources for the Future Robert Gramlich Senior Vice President, Public Policy, American Wind Energy Association Dr. John Anderson President and CEO, Electricity Consumers Resource Council
10:50 a.m.	BREAK

11:00 a.m.	DISCUSSION
12:00 p.m.	LUNCHEON AND KEYNOTE SPEAKER Johannes Pfeifenberger, Principal, The Brattle Group
1:00 p.m.	<p>AFTERNOON PANEL Assessing the Implications for Wholesale Competition: What is the Best Balancing Approach?</p> <p>The afternoon session will consider the competition issues associated with subsidies and other mandates in electricity markets. We will also consider how these interventions balance with the importance of ensuring competitive, well-functioning, and efficient markets. Key questions include:</p> <ul style="list-style-type: none"> • How do various mandates and requirements affect the dynamics of electricity markets? What efficiency and competition issues have arisen thus far and where, and how do they differ with regard to centralized and bilateral markets? • What scenarios are likely to play out with regard to the role of various interventions in potentially un-leveling the playing field for other technologies, creating entry barriers, or opportunities for the exercise of market power? • What are the likely roles for regulation and antitrust enforcement in resolving disputes and concerns over the competitive impacts of various interventions? <p>SPEAKERS:</p> <p>Jay Morrison Senior Regulatory Counsel, National Rural Electric Cooperative Association</p> <p>Jed M. Nosal Chief, Office of Ratepayer Advocacy, Massachusetts Attorney General's Office</p> <p>Dr. Paul Sotkiewicz Senior Economist, PJM Interconnection</p>
2:15 p.m.	BREAK
2:30 p.m.	DISCUSSION
3:30 p.m.	CLOSING REMARKS AND ADJOURN