DEREGULATION DOESN'T WORK FOR ELECTRICITY

GUEST COLUMN BY PAUL GRIFFIN

Yogi Berra had many witticisms, including his famous "It's déjà vu all over again." There couldn't be a more appropriate phrase to describe recent attempts in states like Nevada, Arizona, Florida, and now Wyoming to deregulate electricity markets. Unfortunately, these efforts illustrate how we've forgotten key lessons learned when opportunistic companies like Enron sold a bill of goods to state policymakers, ultimately leaving consumers holding the bag with higher electricity rates, reduced reliability and fraudulent practices perpetrated on unsuspecting elderly and low-income consumers. Faced now with possible deregulation proposals, Wyoming legislators should recognize the harsh lessons learned in other states that have deregulated and reject these deregulation proposals.

Since the 1990s, many states have explored deregulating their electricity markets. Deregulation means that consumers can choose their electricity supplier and that prices fluctuate with the ups and downs of wholesale costs for generation, transmission, and distribution of electricity. Theoretically, prices are left to the market. In the years since electricity deregulation first became popular, eleven states, including California and Montana, had buyer's remorse after costly deregulation experiments failed, eventually re-regulating. In the states that remain deregulated, residential consumers often pay the highest rates in the country. Those states have also experienced rampant fraud and deception from unscrupulous energy marketers, resulting in attorneys general in Massachusetts and Illinois, after damning investigations, calling for an end to deregulated electricity markets.

Instead of being wooed by promises about "customer choice" and "free markets," policymakers and the public should remember these facts:

1. Every year since 1997 has seen the average residential consumer in regulated states pay a lower rate for electricity than their counterparts in deregulated states.

2. In Texas' deregulated retail market, consumers experienced brownouts in 2011, 2014 and 2015. In 2011, rolling blackouts even forced Texas to import power from Mexico.

3. The availability of electric linemen for emergency response is a concern. After deregulation came to the electric industry, some utilities in affected jurisdictions reduced their line staff by 25 to 30 percent. Deregulation could affect restoration of electric service after the harsh storms that are so common in Wyoming.

We now have 20 plus years of data about what happens when we deregulate electricity markets. It's safe to say that if legislators follow the "choice" path again, customers will pay a heavy price. As they say, "Fool me once, shame on you. Fool me twice, shame on me."

Paul Griffin is the executive director for Energy Fairness, a not-for-profit organization that advocates for sensible energy policy.