

EPSA 2009-2012 Long-Term Strategic Objectives

(Priority Policy Principles in Italics Following Each Objective)

Over the upcoming four years, consumers, reliability and the environment will be best served through the continued development of well-functioning competitive wholesale power markets, both in regionally organized markets and in those not in the organized markets. The Electric Power Supply Association's (EPSA) *2009-2012 Long-Term Strategic Objectives* is a policy framework that sets major objectives and principles encompassing greenhouse gas policies, competitive procurement, competitive wholesale market rules, infrastructure development and the emergence of new technologies.

OBJECTIVE: Achieve recognition and acceptance by policymakers that **well-functioning regional competitive wholesale electricity markets promote reliability and provide substantial benefits** to consumers, the economy and the environment.

Policies should be based on using well-functioning regional wholesale markets to supply competitively-priced, reliable and environmentally-responsible electricity.

Organized wholesale markets provide substantial benefits and are subject to significant regulatory oversight. While the market rules under which they operate can be refined, Regional Transmission Organizations and Independent System Operators should continue to administer their regions' electricity markets and to operate the transmission grid.

Well-functioning competitive wholesale power markets are the best platforms to advance properly regulated demand response products, stronger energy efficiency measures, a smarter transmission grid and distribution system, and increased use of electricity in transportation.

OBJECTIVE: Achieve **development of well-functioning competitive wholesale electricity markets**, both in regions served by Regional Transmission Organizations and Independent System Operators (RTO/ISOs) and in those without organized markets, tailored to the circumstances in each region.

Competitive procurement of electricity, market-based rates for electricity and contract certainty are essential to make infrastructure investments that deliver the best overall deal for consumers.

Non-discriminatory access to the transmission systems and customers outside organized RTOs/ISOs is necessary to allow those customers to enjoy the benefits of competitive power markets, including greater innovation and efficiency.

OBJECTIVE: Achieve acceptance by policymakers of the importance of a **single national policy on greenhouse gas emissions**, and of how the innovation and diversity of competitive wholesale power suppliers will help achieve environmental objectives while ensuring a reliable power system.

Climate change should be addressed as soon as practicable through a federal mandatory, national, market-based program, consistent with EPSA's climate change principles. Greenhouse gas allowance mechanisms must be fair, equitable and non-discriminatory, including in the treatment of new and existing generation.

Based on a stellar track record of significant accomplishments over several decades, competitive power suppliers are in the best position to advance innovation in an efficient and cost-effective manner as part of the national push to a greener economy.

Federal and state policies should take a long-term view that reflects the economic realities and technological challenges inherent in providing reliable electricity while reducing the power sector's carbon footprint.

Technologies and fuels should be permitted to compete on an economic basis to generate electricity while achieving the nation's environmental goals. Policies should also reflect the importance of both existing and new generation to reliably supply the nation's electricity needs.

Federal financial assistance to advance low- and zero- carbon technologies should be structured and administered to facilitate participation by competitive suppliers. This assistance should not distort market-based electricity prices.

OBJECTIVE: Achieve recognition and acceptance by policymakers that **competitive power suppliers should be allowed to compete fairly** in capital markets and under various regulatory structures to build the next generation of power plants and otherwise meet future electricity needs.

Policies should facilitate participation by a wide variety of power suppliers and by investors in competitive power supply companies.

Properly regulated electricity trading, risk hedging and marketing contribute positively to well-functioning wholesale power markets.

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