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July 13, 2015

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# New National Study: Electric Choice Means Lower Rates, More Generation

**LANSING, MI** – Ratepayers in states with electric choice save big, and benefit from improved investment and reliability according to a groundbreaking national study released today by the COMPETE Coalition.

The analysis, titled “Evolution of the Revolution: The Sustained Success of Retail Electricity Competition,” can be viewed online at [www.CompeteCoalition.com](http://www.CompeteCoalition.com).

Michigan has fared especially poorly since abandoning electric choice in 2009, the study found, with “monopoly regulation” driving electricity prices “substantially higher.”

“This study highlights the unfortunate consumer outcome that resulted when Michigan in 2008 chose to re-regulate its electric industry and end customer choice as an option for all but 10% of a utility’s demand,” said Laura Chappelle, former Chair of the Michigan Public Service Commission. “Since 2008, rates have significantly increased for utility customers in Michigan, while costs have markedly decreased in neighboring Illinois where customer choice in electricity was embraced.”

According to the study:

- From 1997 through 2014, **prices in states with customer choice increased 4.5% less than inflation** while **prices in monopoly states increased 8.4% more than inflation**.
- Electricity in monopoly states accounted for a larger share of the consumer cost of living in 2014 than in 1997, while electricity’s share of the consumer pocketbook in customer choice jurisdictions was less in 2014 than in 1997.
- Generation in customer choice jurisdictions as a group outperformed that in monopoly states producing billions of dollars of new, more efficient generation with higher capacity factors than in monopoly states.

(MORE)

DTE has raised residential rates by 59 percent since Michigan capped electric choice, while Consumers Energy has increased residential rates by 54.9 percent in that same time, according to reports filed with the Michigan Public Service Commission.

“Electric rates have skyrocketed across Michigan since Lansing took away consumers’ right to shop around for the best price,” said Wayne Kuipers, Executive Director of Energy Choice Now. “The study released today proves that competition leads to lower prices and better generation. It’s time Lansing put ratepayers first and give them a break at the meter, not more rules, more regulation, and higher electric rates.”

Kuipers urged lawmakers to empower job makers, schools, and consumers to take advantage of a competitive marketplace to drive down prices and lower costs.

According to the U.S. Energy Information Agency, Michigan families, schools, and job makers who filled the state’s 10 percent cap in 2009 **have already saved \$400 million**. 11,000 Michigan electricity consumers currently on waiting lists would **save an additional \$235 million each year** in a fully competitive marketplace.

Michigan has the highest electricity rates in the Midwest, and rates significantly higher than the national average. In 2008 Michigan established an arbitrary 10 percent cap on electricity competition, shielding DTE and Consumers Energy from competition that would save customers hundreds of millions of dollars each year.

Michigan’s monopoly-style system since 2009 has already resulted in energy costs that were more than \$10.5 billion higher than competitive market prices paid in Illinois by our neighboring families, schools, and job makers, say economists.

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