

**Testimony of Gene Alessandrini before the Consumer Affairs Committee, Pennsylvania House of Representatives.**

**March 3, 2010 public hearing on municipal electricity aggregation legislation**

Good morning Chairman Preston, Chairman Godshall and members of the committee.

My name is Gene Alessandrini, senior vice president of Marketing for PPL EnergyPlus. PPL EnergyPlus is the energy marketing and trading arm of PPL Corporation, based in Allentown. PPL EnergyPlus is a competitive wholesale and retail supplier of electricity and natural gas, and is not the same company as PPL Electric Utilities, the regulated public utility serving much of northeastern and central Pennsylvania.

I'm pleased to tell this committee that electric choice is opening new opportunities in Pennsylvania, as shown by the large numbers of customers in the PPL Electric service territory who have selected a new electricity supplier since the generation rate cap expired.

PPL EnergyPlus has been chosen as the energy supplier by many businesses across northeastern and central Pennsylvania.

As generation rate caps expire in other markets at the end of this year, we are preparing to help businesses in other parts of the Commonwealth with competitively priced electricity and natural gas supply, pricing proposals customized to their needs, and a wide range of services that help businesses control costs and use energy wisely.

Indeed, Pennsylvania's Electric Choice Act has opened numerous opportunities for consumers to take advantage of increased competition in electricity markets.

Another outgrowth of electric choice is to allow municipalities to buy power as an aggregator for their customers; including residential, small businesses and commercial and industrial customers.

PPL EnergyPlus supports the concept of municipal electricity aggregation because it leverages the power of competition for more customers and allows them to reap the benefits from highly competitive markets.

This concept permits electricity suppliers to work efficiently with municipalities to provide alternative supply options for customers who may not yet have chosen suppliers. In considering how to expand the universe of retail customers they serve, electricity suppliers must always be concerned about customer acquisition costs and acquisition rates.

Municipal aggregation can improve effective customer acquisition rates and reduce customer acquisition costs. Thus, municipal aggregation can provide a cost effective way for suppliers to serve customers who have not yet chosen alternate electricity suppliers on their own. So aggregation offers the opportunity for even more customers to receive alternative energy supplies and experience the benefits of customer choice.

Consolidating numerous individual purchasers of electricity and natural gas into a single, larger purchasing pool by use of municipal aggregation will be another means by which competitive markets can work to benefit Pennsylvania consumers.

Aggregation can also be an effective way to overcome inertia and motivate consumers to take advantage of competitive markets. Aggregation can certainly serve a market need by providing an additional means for even more customers to receive the benefit of retail choice. For those individuals and businesses that have not taken the time to explore their electricity supply options in the competitive market, aggregation through municipalities could bring the power of competition to more consumers by allowing municipalities to do the research and find the best offer.

Consumers now have a multitude of choices, and they can exercise those choices at any time. Municipal aggregation is one more option than can be made available to them.

The fact that this committee is taking time to learn about municipal aggregation as yet another option for consumers is a clear demonstration that electricity competition is making a difference and opening more opportunities.

On behalf of PPL EnergyPlus, I applaud this committee for its leadership and openness to hear from those in the electricity supply industry about what can be done to further advance the opportunities created by choice in Pennsylvania.

Thank you again for inviting me to participate in today's hearing.