

RETHINK PGE'S FUTURE

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Now that PGE clobbered us with higher bills, you want to say the market doesn't work. THIS market sure doesn't work, the one rigged by politicians to favor the owners and investors of PGE and Enron. Their ilk make billions not by meeting our demand for electricity but by exploiting rules their lobbyists put into law.

Lawmakers deregulated the energy market, but only partially. The rules that got axed protected consumers. The rules left in place let Enron, along with their PGE subsidiary, bilk us. If the energy market were really free, it would be free from regulations like the one forcing California utilities to cancel long-term contracts and to buy in the spot market.

Plus, there'd be no tax breaks, no subsidies -- just the usual standards against fraud and deception. If Enron execs -- the guys who gave such huge campaign contributions to the Bushes -- had thought they'd get in trouble for fraud and deception, they might not have lied about their supplies during the California energy crunch, and might have told their little investors and employees back in Houston about having sold off their income stream to close cronies.

If we want fair electric bills, or fair prices for anything, we need competition. Where there's one power plant and one power grid, there is no competition but a natural monopoly. In that case, to keep prices fair, government regulation, or even public ownership, is needed. Given their track records, of the two, public ownership is the much better deal for the public.

Metropolitan Portland long ago outgrew one source of electricity. But we stayed with assigning one supplier, PGE, for most of them. And PGE stayed with a few, big power plants, making it easier for them to control supply and price. Then along came Enron, with billions in borrowed cash, who took over around the world, including our PGE, and expanded their monopoly, not to supply demand but to gouge consumers.

As Portland grows, as we power up computers for ever more hours, we demand more electricity. (And what if battery-powered cars become efficient?) Now it's not too late to have more energy suppliers. Many smaller power plants, rather than a few large ones, makes it hard for them all to rig prices or to be owned by one corporation.

Rather than make it harder for a new power source to enter the market, say a windmill, make it easier; give them credit for not harming the environment. For the older plants that now do harm the environment -- like dams driving salmon into extinction -- make it harder for them to stay in business. Charge them for the costs they impose on everyone else.

By law, we Oregonians have by now inherited utilities first built with tax-dollar help. Let's make the power grid into an open market, and have the various power plants -- dams, windmills, nukes, co-generation plants, etc. -- compete. That, plus an

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insistence that utilities tell us the truth, should keep the juice flowing and prices reasonable. If not, if power suppliers are still so antisocial as to withhold electricity during peak demand, like ancient landlords hoarding grain during a famine, then it'd be fair to point to market failure and to either regulate utilities or publicly own them outright.

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