

## **APPA proposes US wholesale electricity market reform**

The American Public Power Association has released a proposal for the reform of wholesale electricity markets administered by regional transmission organisations. The Competitive Market Plan is based on the results of investigative studies carried out under APPA's Electric Market Reform Initiative and consultation with APPA members, other market participants and electricity industry experts. The Competitive Market Plan aims to remedy "the absence of meaningful competition and consumer protections under the current RTO market model, while still assuring resource adequacy". The changes proposed in the paper apply to regions with RTO-run centralised wholesale power supply markets under federal jurisdiction. Along with the proposed reforms, APPA is also recommending a moratorium on the development of new RTO markets, at least in the absence of strong, widespread RTO member support. These changes are intended to move the markets from de facto oligopolies to more competitive markets, while ensuring reliable electric service at just and reasonable rates. APPA recommends as part of its plan that FERC should conduct periodic reviews of wholesale power supply markets in RTO regions to assess long-term price stability, possible exercises of market power, justness and reasonableness of rates, and reliability. To the extent that reformed RTO markets are not making adequate progress in providing balanced incentives and benefits to both generator and load interests, further reforms will need to be considered, according to APPA.

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