

ELECTRICITY

Fraud in California

The San Joaquin County District Attorney's Office announced that the People's Electric Supply Company (PESCO) collected money under false pretenses and committed grand theft, both felonies. This is the first case of electricity fraud discovered during the short time that electric deregulation has been law in California.

A special agent of the California Public Utilities Commission (CPUC) investigated the case in response to complaints from Stockton area residents who said they had paid deposits for electric service that had been promised at a savings but was not delivered. Other victims were discovered during the investigation.

PESCO is the first registered electricity supplier that the CPUC has uncovered collecting customer deposits without providing service. ■

AFL-CIO Adopts Resolution on Energy Sponsored by the IBEW

At its February Executive Council meeting, the AFL-CIO issued an IBEW-sponsored resolution calling upon the Administration for serious debate about an energy policy covering all aspects of America's future energy needs. The statement expresses concern that current proposed strategies regarding electricity restructuring and the implementation of carbon reduction measures called for by the Kyoto Protocol may be in conflict and not in the best interest of our nation.



The resolution further states that it supports a policy of fuel diversity in the electric utility industry. All current generating options must be maintained, including all fossil fuels, nuclear, hydro and renewables to ensure a stable, reliable and low-cost supply of electricity. It goes on to say misguided efforts to restructure the industry must not sacrifice the reliability of our electricity supply.

The AFL-CIO reaffirmed its opposition to the Kyoto Protocol, saying that discussions regarding that protocol or global warming must include the utilization of all technologies that can reduce the concentration of carbon in the atmos-

phere, for example, clean coal technology, natural gas innovations, hydro, nuclear, oil, wind, solar and geothermal.

In a related report, the American Society of Mechanical Engineers (ASME) concluded that by using current technology, the U.S. will fall far short of the greenhouse gas emission cuts set under the Kyoto Protocol, and that nuclear power is the key to any near-term carbon dioxide reduction strategy. The report was released February 12, by ASME officials, who were scheduled to meet with White House officials to press for a comprehensive research strategy aimed at meeting the global climate change challenge. ■



Job Protections in New Jersey

When the New Jersey Legislature decided to deregulate its electric utilities, IBEW Local Presidents Charles Wolfe, Local 94, Cranbury; Bob Munyan, Local 1289, Lakewood; and Business Manager Charles Hill, Local 210, Atlantic City, were there to secure some of the nation's toughest and most comprehensive employee protections.

When Governor Whitman signed Assembly Bill 16 into law in February, the generation of electricity in New Jersey was deregulated, while transmission and distribution remained regulated. Under the provisions of the law, employees of generating facilities who are laid off because of restructuring-related changes are guaranteed two weeks of severance pay for each year of their full-time employment (uncapped), 24 months of continuing health care coverage and one year of training at a community college or vocational school. The language also requires any company purchasing a generating facility from its parent to recognize the existing bargaining agreement in effect at the time of the sale, functional separation or divestiture and to hire its initial employee complement from existing employees and offer terms and benefits equal to those enjoyed by current employees.

New Jersey State AFL-CIO President Charles Wowkanek and Secretary-Treasurer Laurel Brennan maintain all this would not have been possible "...without the relentless and dedicated efforts of the IBEW. Their constant presence was undoubtedly felt by the members of the Legislature. They helped maintain the unity of purpose and solidarity so important in an undertaking of this magnitude."

The New Jersey State AFL-CIO feels that such language, usually found only within employer-employee contracts, is unprecedented in state law. ■

Administration Introduces Utility Restructuring Bill

For more than two years, federal legislation to mandate deregulation and competition in the electric utility industry has never made it beyond the early step of subcommittee mark-up. The chances that the full Congress would consider such legislation, however, were enhanced on April 15 when the Clinton Administration released its long awaited Utility Restructuring Plan.

The bill contains a flexible mandate that would allow all consumers to choose their electricity supplier by January 1, 2003. States and unregulated utilities, like municipals and cooperatives, could opt out if they find that consumers would be better served by an alternative policy.

The Federal Regulatory Energy Commission (FERC) is empowered to "ensure that utility activities are consistent with the development of competitive wholesale and retail electricity markets" as well as to oversee an electric reliability organization that would establish and enforce mandatory reliability standards for transmission and generation output only.

The bill establishes a \$3 billion Public Benefits Fund for continued low-income energy assistance, energy conservation and consumer education programs as well as a Renewable Portfolio Standard requiring 7.5 percent of electricity sales by 2010 to come from non-hydroelectric renewable generation sources. This percentage is higher than the one contained in the original plan.

Under the Administration's proposal, the Public Utility Companies Holding Act (PUCHA) and the Public Utility Regulatory Policy Act (PURPA) would be repealed.

The IBEW has taken the position that the bill does not contain satisfactory provisions to protect displaced workers because stranded cost recovery in each

state would be voluntary, nor does the bill set standards insuring reliability of the electricity system, a qualified work force, or for public and worker safety.

International President J. J. Barry, speaking at the IBEW Utility Conference in April, said, "We are deeply disappointed that the Administration's bill as introduced does not contain the worker or consumer protections that we have fought for in many states. We are angry that standards of quality and reliability which are so important to maintaining the work that our members do are essentially ignored in the Administration's bill."

International Secretary-Treasurer Edwin D. Hill told the conference, "The real fight will be in Congress, where IBEW members can work with their Congressional Representatives to change the damage that could be done to workers and consumers if this bill passes. We must continue to mobilize to make sure our voices are heard—especially by those legislators who have been our friends."

Congressional action on this bill highlights the need for IBEW members to continue to vote and be politically active. The results of the next Congressional election will determine which party attains majority status and with that, control of key Congressional Committees who will determine the outcome of deregulation. ■