protection issues with state officials by, among other things, submitting written comments to various states about consumer protection issues they were considering.

Huge resources are at stake in this industry, whose total annual revenues are estimated at \$200 billion. Although advertising by electric power companies is a small fraction of that for many other consumer products, it is growing rapidly as deregulation advances. For example, ad spending by the electric power industry grew 65% in 1997 and 12% in 1998. (8)

We have already seen the use of environmental advertising in those states that have opened their markets to retail competition. Many consumers are interested in the environmental qualities of the electric power they buy, and some consumers are willing to pay a premium for "environmentally friendly" electric power. There is, however, a potential for abuse of environmental claims because of the premium price, and because consumers cannot verify any of these advertising claims themselves. (9)

The types of environmental claims already appearing in electricity ads include:

- claims about the level of emissions of a product ("20% lower than average" or "doesn't pollute the air or water");
- the sources it is produced from ("nuclear free" or "all solar");
- overall effect on the environment ("help prevent global warming" or "redu(")-2(078>Ttt be)4(c)4(i)-2

The Administration's recently introduced "Comprehensive Electricity Competition Act" (CECA), would authorize the Department of Energy to promulgate information disclosure

them in electricity markets as well. For example, the FTC late last year settled charges with FutureNet, which was an alleged pyramid scheme. FutureNet was purporting to sell electricity service, even though at the time, no state had deregulated the sale of electric

- 110, 165, appeal dismissed sub nom. Koven v. FTC, No. 84-5337 (11th Cir. 1984) (Deception Statement).
- 11. Id. at 177.
- 12. Thompson Medical Co., Inc., 104 F.T.C. 648, 816 (1984), aff'd, 791 F.2d 189 (D.C. Cir. 1986), cert. denied, 479 U.S. 1086 (1987). Information concerning the cost of a product or service also has been found to be material. Deception Statement at 174.
- 13. 16 C.F.R. Part 260 (FTC Green Guides).
- 14. Enforcement of consumer protection laws also promotes competition by helping to ensure that honest competitors are not denied entry to the market due to the actions of unscrupulous competitors and that they do not lose market share to unscrupulous competitors. *See generally* Neil W. Averitt & Robert H. Lande, *Consumer Sovereignty: A Unified Theory of Antitrust and Consumer Protection Law*, 65 Antitrust L.J. 713 (Spring 1997).
- 15. No. 1-98-CV-1935 (N.D. Ga., filed July 10, 1998).
- 16. No. SA-98-CA-0629 (W.D. Texas, filed July 15, 1998).
- 17. FTC v. FutureNet, No. 98-1113GHK (AIJx) (C.D. Cal. 1998).
- 18. Some sellers of deregulated utilities are already marketing their services door to door.
- 19. 15 U.S.C. § 1601 et seq.
- 20. 15 U.S.C. § 1691 et seq.
- 21. The TILA and ECOA are implemented by Regulation Z, 12 C.F.R. § 226, and Regulation B, 12 C.F.R. § 202, respectively. Although the Federal Reserve Board promulgates these regulations, the Commission enforces these requirements for most non-bank entities around the nation. *See* Section 108(c) of the TILA, 15 U.S.C. § 1607(c) and Section 704(c) of the ECOA, 15 U.S.C. § 1691c(c).