

**Opening Remarks of FTC Chairwoman Edith Ramirez
Something New Under the Sun: Competition and
Consumer Protection Issues in Solar Energy
Washington, D.C.
June 21, 2016**

Good morning, and welcome to

differently from

In the intervening decades since the FTC held its first workshop on solar power in 1977, the Commission has submitted numerous comments in an effort to inject competition analysis into the dialogue regarding how best to structure wholesale electricity markets. We also have issued reports that detail consumer protection and competition issues in the electric power industry, and have held several workshops related to energy and electricity markets.²

More recently, states have been exploring ways to reform electricity markets at the distribution and retail levels of the supply chain. The FTC has submitted comments in connection with a number of these state efforts and regulatory reviews, including, most recently, multiple comments to the New York State Public Service Commission in connection with its “Reforming the Energy Vision” proceeding.³

In June 2015, the FTC issued consumer education guidance on issues related to rooftop solar. The guidance explains solar power options to consumers and provides advice on how to decide if solar power is right for them. It also discusses the issues and questions consumers might ask in connection with purchases, leases, and purchase power agreements for rooftop

² See, e.g., Energy Markets in the 21st Century: Competition Policy in Perspective (Apr. 10–12, 2007), <https://www.ftc.gov/news-events/events-calendar/2007/04/energy-markets-21st-century-competition-policy-perspective>; Workshop: Market Power and Consumer Protection Issues Involved with Encouraging Competition in the U.S. Electric Industry (Sept. 13–14, 1999), <https://www.ftc.gov/news-events/events-calendar/1999/09/workshop-market-power-consumer-protection-issues-involved>; Electric Energy Market Competition Task Force, Report to Congress on Competition in Wholesale and Retail Markets for Electric Energy (Apr. 2007), <https://www.ftc.gov/sites/default/files/documents/reports/electric-energy-market-competition-task-force-report-congress-competition-wholesale-and-retail/epact-final-rpt.pdf>; FTC Staff Report, Competition and Consumer Protection Perspectives on Electric Power Regulatory Reform (July 2000), <https://www.ftc.gov/reports/competition-consumer-protection-perspectives-electric-power-regulatory-reform>.

³ See, e.g., Federal Trade Commission S-or1.7(o)-5(rC.5(s)-2.26)0.6(i)ew 1.82n(s)-2.2(:) 5(n)]TJ 0-2.80.0 5(n)]TJ1(o)h-5(m)3.5(m)30

explain some of the background economics of the electricity industry, and the economic implications of incorporating solar distributed generation onto the electricity grid.

Our first set of panelists will discuss how solar electricity generation has grown in recent years and whether we should expect that growth to continue. They will explore the sources of that growth (including government incentives), how consumers and incumbent utilities have reacted, and what we might reasonably expect from the solar industry in the future.

The second panel will discuss some of the issues surrounding net metering and other ways to put a price on the excess electricity that rooftop solar customers generate. In most jurisdictions, retail electricity rates generally are not set by the marketplace, but are the product of ratemaking proceedings overseen by state regulators, such as public utility commissions. There is significant debate about whether the retail price is the appropriate price at which utilities should compensate solar customers for the power they generate, which our panelists will delve into.

Following the two morning panels, we are fortunate to have Chairperson Ellen Nowak of the Wisconsin Public Service Commission and Commissioner Ann Rendahl of the Washington State Utilities and Transportation Commission join us to share their experiences relating not only to some of these ratemaking issues, but also to competition and consumer protection issues as well.

In the afternoon, two separate panels will explore issues related to competition and consumer protection. During the first afternoon panel discussion, participants will explore the differing viewpoints concerning the roles of regulation, competition, and antitrust in electricity markets and their underlying rationale.

The last panel of the day will examine consumer protection issues raised by rooftop solar. Our panelists will explore existing guidance, the legal and regulatory environment, the role of industry self-regulation, and what more, if anything, needs to be done and by whom.

IV. Conclusion

With increasing rates of adoption, we want to ensure that rooftop solar develops under conditions of free and fair competition, and that consumers are well-informed about its pros and cons and the options available to them. As the nation's principal advocate for sound competition and consumer protection policy, the FTC is uniquely positioned to assist with such efforts.

Thank you all for being here today.