

# **EnerCom**

*The Nation's Leading Alternative  
Energy Savings Agency*

## **BEFORE THE SENATE ENERGY AND TECHNOLOGY COMMITTEE**

**Website:** [www.enercomenergy.com](http://www.enercomenergy.com)

**WRITTEN TESTIMONY OF**

**GERRY GORA**

**PRESIDENT OF  
ENERCOM, INC.**

**NOVEMBER 8<sup>TH</sup>, 2011**

**E-mail:** [gfgora@enercomenergy.com](mailto:gfgora@enercomenergy.com)

## **I. Introduction**

EnerCom, Inc. is the Leading Alternative Electricity and Natural Gas Savings Agency in the Nation for industrial/commercial businesses according to our many alternative energy suppliers. Our main office is located in the city of Bingham Farms, Michigan. We have been in business for 13 years and typically have 70 trained agents in the states of Illinois, Michigan, Ohio, Pennsylvania, and shortly, Indiana. EnerCom is a company which represents **only** the major suppliers of Electricity and Natural Gas in the Nation.

EnerCom also represents the alternative electricity and natural gas energy suppliers that are established, financially stable, reliable, certified, bonded, and service-oriented.

## **II. Professional Background**

I hold an Undergraduate Degree in the Arts, as well as a Masters Degree in Psychology from the University of Detroit. I began my career in the Human Resources department of Consumers Energy, Royal Oak division, and spent three years with them before becoming a licensed corporate stock broker with Merrill-Lynch.

### **III. Competitive Market Experience**

EnerCom is in a unique position, in that it is an agency that currently deals with 16 suppliers in the competitive electricity and natural gas markets in the states of Illinois, Michigan, Ohio, and Pennsylvania. We were previously responsible for placing approximately 1,000 accounts in the initial Michigan Electric Choice Program with alternative electricity suppliers, and we have 8,000 accounts and 25,000 meters across the United States.

EnerCom currently represents the independent retail operation of DTE in Illinois, Ohio, and Pennsylvania. We have placed over 800 accounts in the Electric Choice Queue through various suppliers, and represent a significant portion of the accounts currently in the queue.

EnerCom is one of the very few Energy Agencies that truly searches the competitive market, through its Account Management Department, to present the best rates for our customer. This process is based primarily on the customer's usage. EnerCom, in effect, acts as a safety net in the Electric Choice process by ensuring that the customer is provided with the lowest variable or fixed rate that best suits the customer's needs.

#### **IV. Items of Interest to the Committee**

Michigan is the only deregulated state that currently has a partial cap on electric choice. At this time, the only other state in the Midwest that is considering a cap on electricity is American Electric Power (AEP) in the State of Ohio. The Public Utilities Commission of Ohio is considering the possibility of placing a cap on electric choice starting at 21% in 2012, and to have full deregulation no later than 2015. Under this proposal, AEP would utilize a graduated scale until 2015. Perhaps the committee might consider this approach.

It seems that DTE wants to stabilize its revenues for financing and future expansions. However, the need for this is currently debatable. Besides the aforementioned solution provided by AEP in Ohio, another way to increase revenues would be through their deregulated branch similar to what First Energy Solutions is currently doing in the First Energy utility areas as well as several other utility areas in Ohio. As I mentioned previously, DTE Energy Supply currently has deregulated operations in other states and we have made use of their deregulated branch on occasion. However, the rates provided by the deregulated branch of DTE though competitive, have been, for the most part beaten by the rates of other utility-owned deregulated suppliers. I'm sure their rates could be more competitive.

## V. It Doesn't Make Sense

1. I don't understand why DTE's rates are the highest in the Midwest according to the U.S. Energy Information Agency. Actually, their rates are currently higher than the national average. *Could it be because the utility has had three years of rate hikes?*
2. Since we have, for the most part, killed competition, we've experienced massive rate hikes since 2008. It seems that the total increase has been 30%. *Prior to the cap being put in place, Michigan rates were lower than the national average.*
3. Michigan rate increases are occurring while electric consumers in competitive markets have benefited roughly 50% in wholesale electric prices. *Why are 90% of Michigan consumers being deprived of these dramatic price reductions?*
4. If energy costs are a top priority for businesses, second only to health care and labor, *doesn't it make sense to reduce the number three cost rather than keeping it for the next two years?*
5. It doesn't make sense that the legislators are able to pick winners and losers based on which businesses were fortunate enough to be included in the 10% cap, *while competitors outside the cap were unable to participate.*
6. By hurting competitively priced alternative energy suppliers, customers who want green power are unable to use it due to add-on costs by the utilities. *These add-on costs would not be present if we were to cut out the middleman.*

7. It doesn't make sense to put a cap on energy as well as jobs. A cap on competition is a cap on employment and economic development. Forcing Michigan businesses to buy only higher priced electricity from the utilities makes them uncompetitive and has effectively placed a cap on job formation. *Eliminating the cap will make Michigan businesses more competitive, ultimately increasing employment, state income tax revenues, decreasing unemployment insurance, and making labor unions very happy.*
8. Michigan voters want to shop for power. *Statewide polls show that 79% of Michigan residents want to be able to pick and choose their electric and gas suppliers just as they do with their cable and telephone companies.*
9. We don't need new power plants. *The purpose of the 10% cap was to provide assurance to investors that the utilities were financially secure enough to build new power plants by holding a captivated customer base. Besides, the utilities have a "Certificate of Necessity" issued by the MPSC which guarantees the utility recovery of its prudently incurred costs for new power plants.*
10. The cap is increasing the cost of government in Michigan. *It forces customers to pay electric bills that are higher than necessary.*

## VI. Summary

Increase the or eliminate 10% cap so that all of the above will finally make sense. *It's a **win-win**, it requires no sacrifice by customers and government, and it will finally help businesses to save jobs by spending less money on their utility bills.*