

IRPS NEWSLETTER

INSTITUTE FOR REGULATORY POLICY STUDIES

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From the Executive Director, David G. Loomis



The Institute has three main purposes—(1) support the Master's Program at ISU, (2) conduct conferences on relevant public policy issues and (3) perform industry-focused research.

We have five first-year graduate students who are a part of the sequence in Electricity, Natural Gas and Telecommunications Economics who will be interning at member institutions during Summer, 2008.

On May 10, 2007, the Institute held its Spring Energy Conference titled, "Transforming the Electricity Market." Over 115 people attended the one-day conference at the President Abraham Lincoln Hotel in Springfield, IL. Brian Prusnek and Sonny Popowsky were among the presenters. The agenda and presentation slides are available on the Institute website.

On November 1, the Institute will sponsor its Fall Energy Conference at the Crowne Plaza in Springfield, IL. (see next story).

The Institute, working with Lt. Gov. Pat Quinn and the Illinois Department of Commerce and Economic Opportunity, has produced its first report on Broadband Access in Illinois. In addition, the Institute's graduate research associates have completed their second working paper. For more details, see page 2.

None of these activities would be possible without the generous support of our member institutions.

Energy Conference, November 1, 2007

The Institute will host a one-day Energy Conference titled, "Transitioning from Frozen Rates to Competitive Prices," at the Crowne Plaza Hotel, Springfield, IL on November 1, 2007. Registration information and the conference agenda are available on the Institute website at <http://www.irps.ilstu.edu>

Confirmed speakers include:

- Susan Hedman, Senior Assistant Attorney General, Illinois Attorney General's Office
- Craig Nelson, Vice President of Finance and Regulatory Affairs, Ameren
- Rebecca Lauer, Regulatory Counsel, Midwest Generation
- Barry Matchett, Co-Legislative Director, Environmental Law and Policy Center
- Martin Cohen, Director of Consumer Affairs, Office of the Governor—Lunch Address
- David Fein, Vice President Energy Policy- Midwest/MISO, Constellation Energy Group
- Ron Cerniglia, Director of National Advocacy, Government, and Regulatory Affairs; Direct Energy
- Tim Anderson, Executive Director, Illinois Commerce Commission

Upcoming Events

- ENERGY CONFERENCE: *TRANSITIONING FROM FROZEN RATES TO COMPETITIVE PRICES, NOVEMBER 1, 2007*, CROWNE PLAZA HOTEL, SPRINGFIELD, IL. REGISTER ONLINE AT WWW.IRPS.ILSTU.EDU OR CALL 309-438-8625 FOR MORE INFORMATION

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Dr. Lon Carlson, Director of Outreach

New Working Paper Series

The Institute for Regulatory Policy Studies has always worked to maintain an objective, non-biased educational and research program. To achieve this goal, the Institute has begun an ambitious new program of research led by graduate students in the Master's Degree Program. The second working paper by the Institute's graduate research associates is titled "Barriers to Adoption of Renewable Energy Technology," by Jeremiah Doner. In the Abstract, Jeremiah states, "Increased use of renewable energy is one of several promising strategies for reducing emissions of pollutants and for hedging against the

volatility of fossil fuel prices. Among the available options for encouraging the development of renewable energy technology are the Production Tax Credit, Renewable Portfolio Standard, and Research and Development subsidies.

This paper also examines the international and United States experience with renewables and what policy structures were implemented. In addition, the paper discusses how the diffusion rate of new technologies such as renewables can be increased with certain policy mechanisms. The main objective of this paper is to iden-

tify and describe the correct policy design measures that might be used by regulatory bodies to guide the continued growth of renewable energy technologies."

The full paper is available at <http://www.irps.ilstu.edu/wp/>

Jeremiah Doner graduated from Illinois State University in May, 2007 and is currently employed by Midwest ISO.

Illinois Broadband Mapping Project

In June, 2006, the Institute received a grant from the Illinois Department of Commerce and Economic Opportunity to develop the first statewide map of broadband services. Working in conjunction with Lieutenant Governor Pat Quinn's Illinois Broadband Deployment Council, the Institute fielded two surveys to request information. The first survey was sent to local government officials to obtain a comprehensive list of broadband providers in the state. The second survey was sent to broadband providers to request information about the services that they provide and where they provide those services in the State of Illinois.

The objective of this study is to determine the availability of various broadband options at the five digit zip code level throughout the state of Illinois. According to the results of the first phase of the study, the availability of broadband service varies widely by zip

code, but in a somewhat predictable manner. By and large, there are more providers in zip codes with higher median income and population density and those also tend to be more urban.

Based on the data and other information we collected, as many as 718 of the 1,348 zip codes in Illinois have access to only a single provider of broadband service. These zip codes collectively account for 15.4 percent of the state's total population. At the other extreme, people residing in 5 zip codes, accounting for 0.71 percent of the state's total population, have access to 6 or more broadband service providers. Finally, prices for broadband service range between \$15 and \$50 per month, depending on the speed of the service and other factors (e.g., whether the broadband service is part of a bundle of services purchased from the provider).

Detailed maps of Illinois displaying the number of providers and associated demographic and economic information are contained in the report. The purpose of this study is to provide data and analysis to enable policymakers them to develop strategies to enhance broadband availability to un-served or under-served areas. The Institute is now in preparation for Phase II of the Broadband Study.

To obtain a printed copy of the report, please contact Adrienne Hahn at 309-438-8625 or adhahn@ilstu.edu or the study can be downloaded from the Institute's website.

The Institute is available to work on research projects concerning critical public policy questions concerning the electricity, natural gas and telecommunications industries and their related regulatory issues. If you have a research need, please contact David Loomis at 309-438-7979 for further information.

Alumni Spotlight

The Institute supports the Master's Program by providing and funding internships, and Graduate assistantships for the Regulatory Sequence. Matthew Deal graduated in 2002 from the Applied Master's Program in Electricity, Natural Gas and Telecommunications. The degree has taken him from the Midwest to the Nation's capital to California.

While completing his Master's degree at Illinois State University, Matthew worked for the Illinois Commerce Commission (ICC) in Springfield, Illinois. Upon graduation he continued to work in the telecommunications division at the ICC. From there, Matthew decided to switch in-

dustries and move to Washington DC to work at the Federal Energy Regulatory Commission (FERC). At FERC Matthew worked on a broad range of energy issues ranging from wholesale market design to advancement and integration of renewable sources of energy.

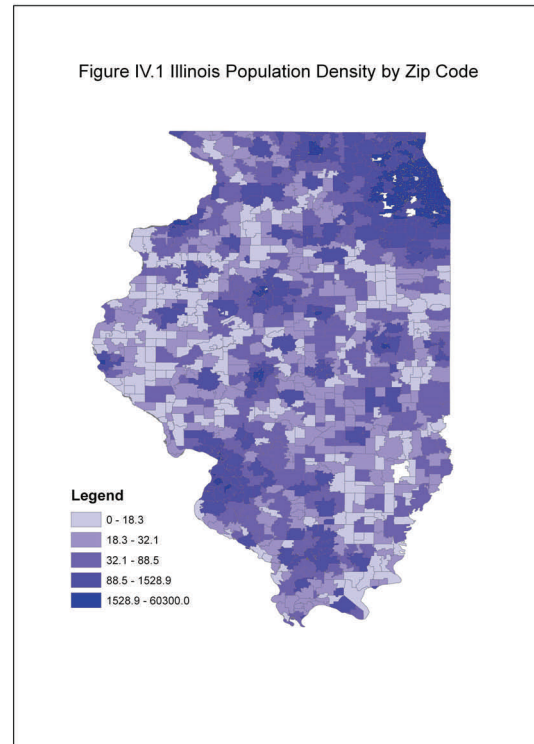
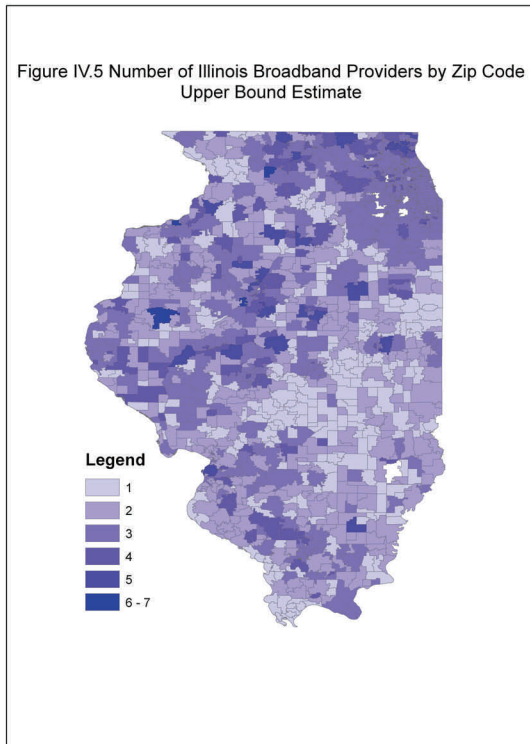
After nearly four years at FERC, Matthew picked up once again and moved across the country, this time all the way to San Francisco to work for the California Public Utilities Commission (CPUC). He insists that moving to one of the most beautiful cities in the world had nothing to do with his choice to accept a position with the PUC. Instead he states that, 'if you're going to work on

energy and environmental policy there is no better place than in California and no more proactive an agency than the CPUC." Recently Matthew joined the staff of CPUC President Michael Peevey as energy advisor.



Matt Deal, class of 2002, Energy Advisor to CPUC President Michael Peevey

Maps From Broadband Access In Illinois Study





The premier institution for research and education in regulatory economics and public policy

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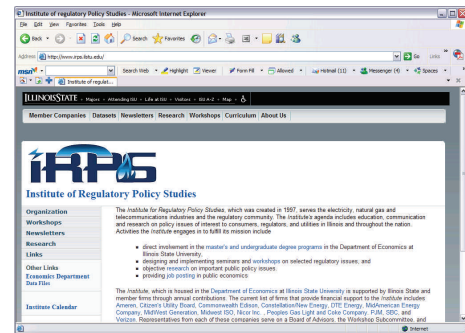
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The *Institute for Regulatory Policy Studies* is the premier institution for research and education in regulatory economics and public policy in the State of Illinois and has a national reputation for excellence in Midwestern regulatory issues. The *Institute* maintains this reputation by:

- Supporting and maintaining the best Master's Program in Electricity, Natural Gas and Telecommunications Economics in the nation.
- Designing and sponsoring statewide, regional and national workshops, conferences and courses to educate external stakeholders.
- Publishing an industry-focused research white paper series and publishing articles and books in peer-reviewed academic outlets.

We're on the web at
www.irps.ilstu.edu



How to Become a Member

The *Institute for Regulatory Policy Studies* is a public-private partnership between Illinois State University and the electricity, natural gas and telecommunications industries and the regulatory community. The *Institute* was created in its current form in 1997 from the former Center for Regulatory Studies and is part of the Economics Department of Illinois State University.

The *Institute* is supported by Illinois State University and member institutions through annual contributions. Every full member organization has a seat on

the Board of Advisors, Conference Committee and Curriculum Committee. Other benefits include:

- Assisting in setting the agenda for conferences, seminars and training sessions
- Discounted registration for the conferences, seminars and trainings sessions
- Eligible for an *Institute*-paid intern for 6 weeks during the summer
- Meeting Commissioners and staff in an informal setting
- Gain input to *Institute*-sponsored research

- First look at Graduate students for future employment

The current list of firms that provide financial support to the Institute includes AARP, Alliance Pipeline, Ameren, AT&T, Citizen's Utility Board, Commonwealth Edison, Constellation/New Energy, Mid-American Energy Company, MidWest Generation, Midwest ISO, Nicor Inc., Peabody Energy, Peoples Gas Light and Coke Company, and PJM.

For more information, please contact David Loomis, Executive Director, at 309-438-7979 or dloomis@ilstu.edu.