

 CONGRESSIONAL PROGRESSIVE CAUCUS CHAIRMAN
Dennis Kucinich
Rep. Barbara Lee, Vice Chair <http://progressive.house.gov> 

Officers: Sen. Paul Wellstone, Rep. Cynthia McKinney, Rep. Bernie Sanders, Rep. Major Owens

TO: ENERGY REPORTER/POLITICAL EDITOR

FROM: David Sirota (202-225-4115)

**RE: INTRODUCTION OF FIRST HOUSE ENERGY
BILL TODAY**



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FOR IMMEDIATE RELEASE

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PROGRESSIVE CAUCUS UNVEILS LEGISLATION TO FORCE ENERGY COMPANIES TO REFUND MONEY FLEECED FROM CONSUMERS

55-Member Caucus introduces first House legislation to immediately deal with energy price crisis

WASHINGTON - The Congressional Progressive Caucus today unveiled the Consumer Energy Rate Relief Act (CERRA), the first bill in the U.S. House of Representatives that deals directly with the ongoing energy price crisis. The bill would force huge energy companies to refund money that consumers were overcharged in recent months and would insure that consumers pay a reasonable rate for their power in the future. Specifically, energy wholesalers – electricity, home heating oil, natural gas – would be required to charge cost-based rates for power (ie. the cost to produce the power plus a reasonable profit) set by the Federal Energy Regulatory Commission (FERC). Previously, FERC had been rendered nearly powerless to monitor rates since the disastrous deregulation efforts of the last decade. The legislation will set the rates retroactively to last year, forcing refunds for the overpayments consumers have made since then.

Rep. Bob Filner (D-CA), who has been leading the Progressive Caucus's energy efforts said, "The wholesale power companies have gouged American consumers. They have forced small businesses to close their doors. They have brought the utilities in California to their knees. Yet their quarterly reports show increased profits by nearly 1,000 percent. It is time for Congress to act by passing our bill. We must hold this cartel accountable and provide the relief that all Americans so desperately need and deserve."

In recent weeks, evidence has surfaced showing that the energy price increases have little to do with a supply problem, as corporate lobbyists have asserted, and more to do with huge energy corporations efforts to manipulate the market and squeeze consumers with artificially inflated rates. For instance, a memorandum from Credit Suisse First Boston to its clients revealed that California blackouts were actually "intended to soften up the Legislature and the voters to the need for rate increases." The blackouts were a significant factor in leading the California state government to approve \$400 million in additional spending.

Currently, huge energy companies such as Enron, which has given millions of dollars to the Republican Party and President Bush's campaign, are reaping huge profits off of the skyrocketing prices of energy. According to Public Citizen, newly formed deregulated energy companies selling in the California market are reaping formidable rates of profit growth off of the price increases. The Williams Companies earned 276 percent more in profits last year than the year before, Calpine Corporation earned 240 percent more; Dynegy earned 210 percent more, and AES Corporation earned 188 percent more.

Dennis J. Kucinich (D-OH), chairman of the Congressional Progressive Caucus, said, "Deregulation has become a dark cloud hovering over America's energy future. In blackouts people begin to see the light. It's time for our government to step in to protect consumers."

Spearheading the Caucus's bill will be the 12 West Coast caucus Members whose states are most adversely affected by the current crisis. These include California members Xavier Becerra, Sam Farr, Bob Filner, Barbara Lee, George Miller, Pete Stark, Maxine Waters, Henry Waxman and Lynn Woolsey. In addition to the immediate help that CERRA would provide, the Caucus will be unveiling comprehensive energy reform legislation that includes substantial investment in renewable energy and conservation.