

Deregulation and Cap/Trade

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Energy Policy Week 2

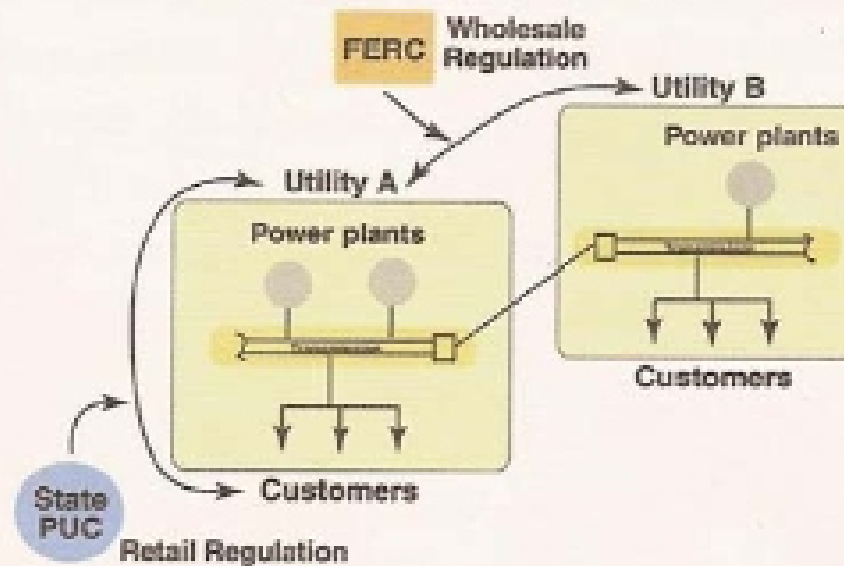
Deregulation

- Vertical Integration
- FERC regulates wholesale electricity
- PUCs regulate retail rates

Deregulation

figure 18.5 Before Utility Restructuring

Pre-Restructuring: Traditional Vertically Integrated Utilities



Large vertically integrated utilities did everything from building power plants to retail customer relations, responding to State regulators for retail and matters within the state and FERC for wholesale and interstate issues.