



One of the bedrock principles of RESA and its members is that competition is the most effective means for efficiently allocating resources and directing investment in energy, similar to the market dynamics for other goods and services. RESA also believes that competition among retail energy companies brings benefits to consumers that are not readily provided through traditional utility regulation, including product innovation, improved customer responsiveness, and enhanced opportunities for clean energy.

We often note – and it is decidedly true - price is only one factor consumers weigh when choosing their electricity or natural gas provider. The value a consumer gets from a product is always important to remember. Consider smartphones, for example. A monthly cell phone bill today may be significantly

higher than the bill under “Ma Bell.” Still, the value consumers receive from an iPhone or Android device is orders of magnitude greater than what someone could get from an old rotary phone connected through the copper wire network. Value drives many consumer decisions.

At the same time, however, we readily acknowledge that market efficiency and discipline provide significant economic benefits, which is also true in retail energy, as in other markets.

In 2017 and 2018, RESA published two papers by the late Dr. Phil O’Connor, who had a decades-long career in business and public service. As Chairman of the Illinois Commerce Commission in the early 1980s, Dr. O’Connor was a pioneering advocate of retail energy markets and consumer choice. His paper, *Restructuring Recharged: The Superior Performance of Competitive Electricity Markets 2008-2016*, was published in April 2017, and *The Great Divergence in Competitive and Monopoly Electricity Price Trends*, co-authored with Muhammad Asad Khan, was published in September 2018, and both documents remain vital reading for those picking up the torch for retail choice so ably carried by Dr. O’Connor for many years.

Sadly, for all of us, Dr. O’Connor passed away shortly after completing the *Great Divergence* whitepaper in 2018. Recognizing the vital importance of his work, RESA maintains its timeliness and relevance by updating trends annually with respect to

pricing, generation, capacity, and other relevant statistics and measures that Dr. O'Connor compiled in these two white papers. The updates in 2025 continue to unequivocally support the same insights and conclusions the author presented in 2017 and 2018.

This year, we have made three significant updates to our supporting data and analysis:

- A detailed explanation of why the five restructured markets in New England (Connecticut, Maine, Massachusetts, New Hampshire, and Rhode Island) are experiencing a “drift” in the wrong direction when it comes to price performance (for residential customers in particular).
- Table 5 from *Restructuring Recharged*, which tracks historical month-to-month rate/price volatility for residential customers in the monopoly states compared with the competitive jurisdictions/states, has been updated.
- In the reliability section of the dataset, we have explained why the Customer Average Interruption Duration Index (CAIDI) performance of the competitive jurisdictions in 2020 was an anomaly.

Dr. O'Connor's thoughtful and rigorous examination of electric competition is more important reading than ever for those attempting to understand whether competition and choice have produced economic benefits in the form of lower electric costs. In states around the country, competitive markets are under threat from opponents who argue (erroneously) that retail energy choice is an economic failure based on short-term comparisons between utility default service and competitive products offered by suppliers to residential consumers.

These opponents rely on analyses that provide policymakers, the media, other stakeholders, and most importantly, customers with an incomplete picture of the benefits of retail choice. They often fail to examine the extensive market data across multiple years, exclude data that favors retail suppliers, and overlook the distinct value propositions of retail supply offers (such as renewable energy content or long-term fixed prices). Perhaps most significantly, these analyses decline to acknowledge the powerful insight that competition and choice have reshaped the allocation of investment risks and costs in ways that have lowered and continue to drive down electric costs for all customers, regardless of whether customers remain with utility backstop service or exercise individual choices.

*Restructuring Recharged* and *The Great Divergence* continue to provide an antidote to these flawed arguments. They are a powerful rebuttal to those who seek to restrict

customers from making the energy decisions that best meet their needs and preferences.

RESA strongly encourages anyone interested in understanding the real economic value of energy choice and the significant benefits that continue to accrue to consumers from competition to read these updated whitepapers. Please reach out to RESA with questions, comments, or to foster further discussion about how we can promote and encourage a deeper understanding of retail choice.