



Industrial Energy Consumers of America
The Voice of the Industrial Energy Consumers

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August 7, 2012

Wisconsin State Senate
Madison, WI 53707

Wisconsin State Assembly
Madison, WI 53708

Re: \$33 Billion in New Costs for Electricity Consumers: Impact of EPA Regulations – The State of Wisconsin

Dear Wisconsin Senators and Representatives:

We urge you to help Wisconsin consumers of electricity from paying significant increases in the cost of electricity. The Midwest ISO (MISO) has estimated that EPA regulations will cost consumers \$33 billion. All of these costs are automatically passed onto us, the consumer. Manufacturing competitiveness is at stake, although every homeowner, farmer and commercial building owner will pay as well.

IECA member companies are exclusively manufacturing companies with \$700 billion in annual sales and with more than 650,000 employees nationwide. IECA member companies include a diverse set of industries including: plastics, cement, paper, food processing, brick, chemicals, fertilizer, insulation, steel, glass, industrial gases, pharmaceutical, aluminum and brewing.

The electric utility industry is facing a number of EPA regulations, these include: the Coal Combustion Residuals (CCRs) regulation, the Cross State Air Pollution rule (CSAPR), and the Mercury and Air Toxics Standards (MATS). These regulations will require significant new capital investment.

MISO also forecasts that coal-fired retirements will range from 10.3 GW to 14.6 GW, which is about 7.8% to 11% of existing generation, and that average energy prices may increase by \$5/MWh. Due to EPA regulations, NERA Economic Consulting estimates that electricity prices could increase by 11-12%.

The higher electricity costs will impact competitiveness, jobs and electric reliability. Given the soft U.S. economy and troubling global economic headwinds, this is not the time for imposing higher costs on the manufacturing sector.

We look forward to working with you. If by chance you want to contact MISO, you may do so at (866) 296-6476.

Sincerely,

Paul N. Cicio
President