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January 22, 2024

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Jason Smith
Chairman
Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

Re: Transmission Investment Tax Credit

Dear Chairmen Wyden and Smith, Ranking Members Crapo and Neal:

On behalf of the Industrial Energy Consumers of America (IECA), we are aware of efforts by electric utilities to encourage a transmission investment tax credit (ITC) in the tax package. Additional tax credits are not necessary to build out the grid for purposes of reliability or for decarbonization.

The Federal Energy Regulatory Commission (FERC) already provides significant financial incentives to build transmission lines. Transmission projects receive between a 10 to 12 percent return on equity (ROE) on capital for periods of 40 years or more. Building and operating transmission lines is already a highly profitable business. No further incentives are needed.

Instead, we urge Congress to support competitive bidding of all new FERC jurisdictional transmission lines that are 100 kV or larger. Less than 10 percent of all transmission projects are competitively bid despite FERC Order 1000, which was supposed to usher in an era of competition. Competition drives down the cost of building transmission lines and therefore reduces the costs of electricity. Transmission costs are soaring across the country and are solely responsible for electricity price inflation that is outpacing the Consumer Price Index.

FERC's Transmission Planning NOPR, that will soon be released, backs away from Order 1000. Without changes to the NOPR, it saddles U.S. consumers with decades of electricity price inflation. Without competition, there is no incentive for monopoly electric utilities to reduce their costs.

Therefore, we urge Congress to communicate with FERC. Urge them to support competition and consumers across the country. We look forward to working with you on this matter. For more

information, please visit the Electricity Transmission Competition Coalition's website at <https://electricitytransmissioncompetitioncoalition.org/>.

Sincerely,

Paul N. Cicio
Paul N. Cicio
President & CEO

cc: Senate Committee on Finance
House Committee on Ways and Means
House Committee on Energy and Commerce
Senate Committee on Energy and Natural Resources

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.1 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.8 million employees worldwide. It is an organization created to promote the interests of manufacturing companies through advocacy and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, brewing, independent oil refining, and cement.