



**Electricity
Transmission
Competition
Coalition**

May 9, 2022

The Honorable Frank Pallone, Jr.
Chairman
House Committee on Energy and
Commerce
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
Ranking Member
House Committee on Energy and
Commerce
Washington, DC 20515

Re: Urge FERC to Support Electricity Transmission Competition to Fight Inflation and Reduce Consumer Costs by \$525 billion by 2050

Dear Chairman Pallone and Ranking Member McMorris Rodgers:

The undersigned 75 organizations from across the nation urge you to aggressively support electricity transmission competition, especially for projects that are 100 kV and larger. The FERC April 21, 2022 Notice of Proposed Rulemaking on transmission and planning rejects competition and protects incumbent monopoly utilities. Competition reduces costs for families and businesses that are captive consumers. Competition reduces inflation and is consistent with American values. Nationwide, from 2014 to 2020, RTO/ISO transmission costs increased by \$74.9 billion, or 79 percent, while electricity demand was flat (see Figure 1).¹

Support for transmission competition is consistent with President Biden's comments during the State of the Union address on March 1, 2022, when he stated, "Capitalism without competition is exploitation" and his Executive Order on "Promoting Competition in the American Economy." In fact, across the country, consumers are being exploited by incumbent electric utilities that have circumvented FERC Order 1000 that was supposed to usher in an era of competition. Studies show that only about 3 percent of electric transmission projects are competitively bid.²

Transmission competition is especially important given President Biden's plans to decarbonize the economy, which is projected by some to require record transmission spending. Under one of the Princeton "Net Zero America" study scenarios the U.S. may need to spend \$2.1 trillion by

¹ Electricity, U.S. Energy Information Administration, <https://www.eia.gov/electricity/>. Nationwide demand was 3.76 billion MWh in 2014 and 3.72 billion MWh in 2020

² Brattle Group: Cost Savings Offered by Competition in Electric Transmission, https://www.brattle.com/wp-content/uploads/2021/05/16726_cost_savings_offered_by_competition_in_electric_transmission.pdf

2050 to build out the transmission grid.³ Studies have shown that competition can reduce the cost of transmission projects by 20-30 percent. Therefore, a 25 percent savings would save consumers an estimated \$525 billion.

FIGURE 1: Comparison of Transmission Investment by Region 2014 – 2020 (\$ millions)⁴

Year	CAISO	FRCC	ISO-NE	MISO	NYISO	PJM	SERC	SPP	WECC	Yearly Total
2014	\$7,964	\$1,646	\$6,347	\$15,373	\$22,896	\$20,373	\$7,504	\$6,015	\$7,044	\$95,163
2015	\$11,533	\$2,228	\$7,043	\$17,187	\$23,858	\$24,957	\$8,007	\$6,622	\$7,395	\$108,831
2016	\$13,015	\$2,472	\$7,665	\$20,072	\$24,303	\$29,554	\$8,616	\$7,265	\$7,859	\$120,821
2017	\$15,137	\$2,700	\$8,259	\$22,846	\$25,645	\$33,877	\$9,003	\$7,832	\$8,227	\$133,526
2018	\$15,594	\$2,851	\$8,823	\$25,197	\$26,660	\$37,542	\$10,067	\$8,508	\$8,543	\$143,784
2019	\$16,217	\$3,030	\$9,545	\$27,206	\$27,740	\$42,319	\$10,834	\$8,931	\$8,950	\$154,773
2020	\$17,481	\$3,115	\$10,269	\$30,532	\$29,796	\$48,799	\$11,568	\$9,292	\$9,240	\$170,092
Grand Total	\$96,941	\$18,042	\$57,950	\$158,414	\$180,899	\$237,421	\$65,600	\$54,465	\$57,257	\$926,989

Incumbent electric utilities oppose transmission competition and would have you believe that electricity electrons stop at a state’s border. The vast majority of transmission projects involve interstate commerce and that is why changes to FERC’s regulations are needed to ensure that consumers benefit from competition and lower costs.

We request that the Committee hold a hearing that would allow consumers to explain needed changes to FERC’s NOPR and its benefits. Thank you in advance for protecting consumers from monopoly power and higher costs.

Sincerely,

Paul N. Cicio

Paul N. Cicio

Chairman, Electricity Transmission Competition Coalition

<https://electricitytransmissioncompetitioncoalition.org/>

³ NET-ZERO AMERICA: Potential Pathways, Infrastructure, and Impacts, Princeton University, <https://netzeroamerica.princeton.edu/?explorer=year&state=national&table=2020&limit=200>

⁴ S&P Global Market Intelligence Regulatory Research Associates Regulatory Focus: An Overview of Transmission Ratemaking in the U.S. – 2021 Update

cc: The Honorable Jennifer Granholm
FERC Chairman and Commissioners

MEMBERS OF THE ELECTRICITY TRANSMISSION COALITION

Alliance of Western Energy Consumers (AWEC)
American Forest & Paper Association
Ag Processing
Aluminum Association
American Chemistry Council
American Foundry Society
American Iron and Steel Institute
Ardagh Group
Arglass Yamamura
Arkansas Electric Energy Consumers, Inc.
Arkansas Forest and Paper Council
Association of Businesses Advocating for Tariff Equity
CalPortland Company
Can Manufacturers Institute
Carolina Industrial Group for Fair Utility Rates
Carolina Utility Customers Association, Inc.
Century Aluminum
Chemistry Council of New Jersey
Commercial Metals Company
Council of Industrial Boilers Organization
Coalition of MISO Transmission Customers
Delaware Energy Users Group
Digital Realty
Domtar Corporation
Eramet Marietta Inc.
Ford Motor Company
Formosa Plastics Corporation, USA
Foundry Association of Michigan
Glass Packaging Institute
Industrial Energy Consumers of America
Illinois Industrial Energy Consumers
Indiana Cast Metals Association
Indiana Industrial Energy Consumers
Industrial Energy Consumers of Pennsylvania
Industrial Energy Users-Ohio
Industrial Minerals Association-North America
Iowa Business Energy Coalition
Iowa Industrial Energy Group, Inc.
Iron Mining Association of Minnesota
Lehigh Hanson, Inc.

LS Power Development, LLC
Maine Industrial Energy Consumer Group
Marathon Petroleum Company
Metalcasters of Minnesota
Messer Americas
Michigan Chemistry Council
Midwest Food Products Association
Minnesota Large Industrial Group
Multiple Intervenors, NY
National Council of Textile Organizations
National Retail Federation
North Carolina Manufacturers Alliance
Office of the People's Counsel for the District of Columbia
Ohio Cast Metals Association
Ohio Energy Group
Ohio Manufacturers' Association
Oklahoma Industrial Energy Consumers
Olin Corporation
Owens-Illinois
Pennsylvania Energy Consumer Alliance
PJM Industrial Customer Coalition
Portland Cement Association
Public Citizen, Inc.
R Street
Resale Power Group of Iowa
Retail Industry Leaders Association
Riceland Foods, Inc.
Rio Tinto
Steel Manufacturers Association
Texas Cast Metals Association
Vallourec STAR LP
Vinyl Institute
Virginia Manufacturers Association
West Virginia Energy Users Group
Wisconsin Cast Metals Association
Wisconsin Industrial Energy Group