



## Electricity Transmission Competition Coalition

June 12, 2023

The Honorable Jeff Duncan  
Chairman  
Subcommittee on Energy, Climate, & Grid  
Security  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Diana DeGette  
Ranking Member  
Subcommittee on Energy, Climate, & Grid  
Security  
Committee on Energy and Commerce  
U.S. House of Representatives  
Washington, DC 20515

***Re: Comments for the Record on Hearing on “Oversight of FERC: Adhering to a Mission of Affordable and Reliable Energy for America”***

Dear Chairman Duncan and Ranking Member DeGette:

America’s electricity consumers reach out to ask for your support in reminding the Federal Energy Regulatory Commission (FERC) that their core mission under the Federal Power Act is to protect electricity consumers<sup>1</sup> from unjust and unreasonable rates, and that you do not support the FERC backtracking on competitive bidding of transmission projects as their current Notice of Proposed Rulemaking (NOPR)<sup>2</sup> contemplates. Below are examples of ten competitively bid projects that demonstrate significant cost savings.

Competitive bidding of new FERC jurisdictional transmission projects reduces electricity costs for consumers, is sound anti-inflationary policy, and is a bipartisan conclusion. Under both Presidents Trump and Biden, the Department of Justice (DOJ) has challenged state incumbent preference laws (also known as rights of first refusal laws) that seek to circumvent FERC’s existing requirements for transmission competition.<sup>3</sup> Last year, the DOJ, this time joined by the Federal Trade Commission (FTC), reiterated that stance in comments on the NOPR’s proposal to significantly abandon transmission competition.<sup>4</sup>

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<sup>1</sup> Federal Power Act

<sup>2</sup> “Building for the Future Through Electricity Regional Transmission Planning and Cost Allocation and Generator Interconnection,” Notice of Proposed Rulemaking, April 21, 2022. Although the NOPR was initiated under the former Chair, it remains pending.

<sup>3</sup> 5<sup>th</sup> Circuit brief

<sup>4</sup> Federal Trade Commission, DOJ Urge FERC to Preserve Robust Wholesale Electricity Markets | Federal Trade Commission, [www.ftc.gov](http://www.ftc.gov)

FERC's Order No. 1000, issued over a decade ago, found that transmission competition was essential to the FERC's duty to determine just and reasonable rates and that eliminating contractual preferences in tariffs or agreements under federal jurisdiction was in the public interest. The FERC's pronouncement about the benefits of competition on transmission rates proved correct as savings from competed projects are significant and consistent with studies that have shown that competition could reduce the cost of transmission projects by up to 40 percent.<sup>5</sup> Yet only three percent of all transmission investment since Order No. 1000 has been competitively awarded because of a lack of FERC enforcement of Order No. 1000 and incumbent electricity utility lobbying efforts at the state level. With one study suggesting the United States may need to spend \$2.1 trillion by 2050 to build-out the transmission grid, time is of the essence and your voice is essential now.

As Members of Congress focused on common sense measures for the public benefit, we ask that you lend your voice, and ultimately that of the entire Committee on Energy and Commerce, to remind the FERC that consumers come first, even during times of transition and that more transmission competition is the right direction, not less. The cost reductions from projects that have been competitively bid across the country show just how out of step the FERC's transmission planning NOPR is on this critical issue. We urge you to tell the FERC that transmission competition is essential to their mission and just and reasonable rates.

Sincerely,

Paul N. Cicio

*Paul N. Cicio*

Chair

Electricity Transmission Competition Coalition

<https://electricitytransmissioncompetitioncoalition.org/>

cc: House Committee on Energy and Commerce

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<sup>5</sup> 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](https://www.brattle.com/wp-content/uploads/2021/05/16726_cost_savings_offered_by_competition_in_electric_transmission.pdf) Even a 25 percent savings would save consumers an estimated \$525 billion by 2050. More specifically, reports indicate that competitive bidding processes could yield savings as follows: MISO (Midwest region): 15-28 percent cost savings; Southwest region (Southwest Power Pool): 50-58 percent savings; and Mid-Atlantic (PJM) region: 60-67 percent savings.

## **TRANSMISSION PROJECTS COMPETITIVELY BID**

### **Hiple to IN/MI State Border 345 kV Competitive Transmission Project**

*Location:* Indiana/Michigan

*Year:* Approved in 2023

*Operator:* Midcontinent Independent System Operator (MISO)

*Builder:* Republic Transmission, LLC

*\*The winning bid was 26% less expensive than MISO's estimate.<sup>6</sup>*

### **Northern Maine Transmission Line and Renewable Energy Projects**

*Location:* Northern Maine

*Year:* Approved in 2022

*Operator:* ISO New England Grid

*Builder:* LS Power Base & Longroad Energy

*\*Savings:* \$1.08 billion

<https://www.prnewswire.com/news-releases/ls-power-grid-maine-selected-to-build-transmission-solution-to-deliver-renewable-energy-from-northern-maine-301660502.html>

### **Larrabee Tri-Collector Solution (LTCS) Project**

*Location:* New Jersey

*Year:* Selected in 2022

*Operator:* PJM Interconnection

*Builder:* Mid-Atlantic Offshore Development (MAOD), Jersey Central Power & Light (JCP&L)

*\*Potential Savings:* \$900 million

<https://www.nj.gov/bpu/newsroom/2022/approved/20221026.html>

### **Empire State Line**

*Location:* Western New York

*Year:* Energized in mid-2022

*Operator:* New York Independent System Operator (NYISO)

*Builder:* NextEra Energy Transmission New York

*\*Potential Savings:* \$500 Million

<https://www.governor.ny.gov/news/governor-hochul-announces-commissioning-empire-state-transmission-line>

### **Minco-Pleasant Valley-Draper Transmission Project**

*Location:* Oklahoma

*Year:* Awarded in 2022

*Operator:* Southwest Power Pool (SPP)

*Builder:* NextEra Energy Transmission Southwest, LLC

*\*Potential Savings:* \$26 million

<https://www.prnewswire.com/news-releases/nextera-energy-transmission-awarded-minco-pleasant-valley-draper-transmission-line-project-by-spp-301534600.html>

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<sup>6</sup> \*NOTE: Each project cost savings observed are from RTO estimates to the selected winning bids and may understate the savings attributable to competition, considering incumbent-only final project costs in the absence of competition typically surpass initial RTO cost estimates.

### **Wolf Creek to Blackberry Transmission Project**

*Location:* Kansas-Missouri

*Year:* Awarded in 2021

*Operator:* Southwest Power Pool (SPP)

*Builder:* NextEra Energy Transmission Southwest, LLC

*\*Potential Savings:* \$58 million

<https://www.prnewswire.com/news-releases/nextera-energy-transmission-awarded-wolf-creek-blackberry-transmission-line-project-by-spp-301409361.html>

### **Central East Energy Connect**

*Location:* Central New York

*Year:* 2021

*Operator:* NYISO

*Builder:* LS Power Grid New York and the New York Power Authority (NYPA)

*\*Potential Savings:* \$200 Million

<https://www.tdworld.com/overhead-transmission/article/21166855/first-5mile-section-of-central-east-energy-connect-transmission-line-complete>

### **Harry Allen-Eldorado Project**

*Location:* California

*Year:* 2016

*Operator:* California Independent System Operator (CAISO)

*Builder:* LS Power

The project was completed under budget in 2020, with an estimated cost savings of up to 29% compared to estimates for the project had it not been competitively bid.

*\*Potential Savings:* \$203 Million

<https://www.transmissionhub.com/articles/2020/08/ls-power-harry-allen-to-eldorado-line-energized-aug-12.html>

### **Artificial Island Project**

*Location:* New Jersey

*Year:* Completed in 2020

*Operator:* PJM Interconnection (PJM)

*Builder:* LS Power

*\*Potential Savings:* \$591 Million

<https://insidelines.pjm.com/artificial-island-project-nears-completion/>

### **Duff-Coleman Line Project**

*Location:* Southern Indiana and Western Kentucky

*Year:* 2016

*Operator:* Midcontinent Independent System Operator (MISO)

*Builder:* Republic Transmission

The final cost of the project was 10%-17% lower thanks to competitive bidding.

*\*Potential Savings:* \$10 Million