



PRESS RELEASE

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MANUFACTURING COMPANIES COUNTER EEI AND URGE CONGRESSIONAL SUPPORT FOR FERC ELECTRIC TRANSMISSION INCENTIVES POLICY UNDER SECTION 219 OF THE FEDERAL POWER ACT

Washington DC -The Industrial Energy Consumers of America (IECA) sent a [letter](#) to the Senate Committee on Energy and Natural Resources and the House Committee on Energy and Commerce in response to the June 11 letter from the Edison Electric Institute (EEI), the WIRES Group, and the International Brotherhood of Electrical Workers which refutes their claim that the future of electric transmission buildouts are threatened by the FERC's NOPR on Electric Transmission Incentives Policy Under Section 219 of the Federal Power Act. The EEI letter urges Congress to oppose the NOPR.

Paul N. Cicio, President of IECA, made the following statement today:

As ratepayers, we urge Congress to not oppose, but to strongly support the NOPR. Opposing this NOPR is not in the public interest and is not consistent with the Energy Policy Act of 2005.

The EEI letter states that the NOPR “seeks to eliminate a crucial incentive at a time when transmission is critical.” This is not true. The NOPR does not impair, slow, or stop companies from investing in transmission and does not reduce transmission projects return on equity (ROE). Transmission projects receive a generously high allowed ROE, in the 10-12 percent range. Interest rates are low for borrowing capital and the financial risk to the utility is very low, because most transmission owners use formula rates which allow easy pass-through of costs to ratepayers. *Electric transmission costs are the manufacturing sector’s highest increased energy cost since 2015 and residential customers absorb these same costs.*

Electric transmission companies have successfully avoided competition which was intended by FERC Order 1000. About 98 percent of all transmission projects do not face competition. The EEI and the WIRES Group member companies have taken action to skirt around FERC Order 1000, which was designed to bring competition to electric transmission projects as a means of ensuring that spending is just and reasonable and to reduce costs to ratepayers. In contrast, manufacturing companies face fierce global competition every day.

The failure of FERC Order 1000 to deliver competition should be the focus of each Committee's efforts. IECA urges a committee hearing on this timely and important issue.

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.1 trillion in annual sales, over 4,200 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, building products, automotive, brewing, independent oil refining, and cement.