October 22, 2019

The Honorable Neil Chatterjee
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

The Honorable Bernard McNamee
Commissioner
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

The Honorable Richard Glick
Commissioner
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Dear Chairman Chatterjee, Commissioner Glick and Commissioner McNamee:

On behalf of the Industrial Energy Consumers of America (IECA), we thank you for opening an investigation into how three grid operators exempt transmission projects from federally mandated competitive bidding processes. Increased oversight is overdue. Electric transmission costs, as a percent of our electric bills, have been our single largest energy cost increase over the last decade (see figure 1).

We are referring specifically to the following three dockets: PJM (Docket No. EL19-91-000), Southwest Power Pool (Docket No. EL19-92-000) and ISO-New England (Docket No. EL19-90-000). The so-called “immediate-need transmission projects” appears to be a convenient loophole to avoid being subject to the competitive processes mandated by FERC Order 1000.

Thank you for your leadership.

Sincerely,

Paul N. Cicio
President
Industrial Energy Consumers of America

*paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, brewing, independent oil refining, and cement.*

**Figure 1**

Transmission and Distribution Utility Operating Expenses and Investments

<table>
<thead>
<tr>
<th>Year</th>
<th>Transmission</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>15.6</td>
<td>4.2</td>
</tr>
<tr>
<td>2013</td>
<td>17.7</td>
<td>4.2</td>
</tr>
<tr>
<td>2014</td>
<td>19.7</td>
<td>4.3</td>
</tr>
<tr>
<td>2015</td>
<td>20.6</td>
<td>4.4</td>
</tr>
<tr>
<td>2016</td>
<td>20.6</td>
<td>4.7</td>
</tr>
<tr>
<td>2017</td>
<td>21.9</td>
<td>4.4</td>
</tr>
<tr>
<td>2018</td>
<td>23.7</td>
<td></td>
</tr>
</tbody>
</table>

Source: Electric Power Annual, U.S. Energy Information Administration (EIA), Edison Electric Institute (EEI)