



June 23, 2022

The Honorable Ron Wyden  
Chairman Senate Committee on Finance  
221 Dirksen Senate Office Building  
Washington, DC 20510

***Re: Fight Electricity Price Inflation by Supporting Electricity Transmission Competition***

Dear Chairman Wyden,

On behalf of the Electricity Transmission Competition Coalition and the undersigned organizations, we urge you to support electricity transmission competition in the fight against inflation. On April 21, 2022, the Federal Energy Regulatory Commission (FERC) released its notice of proposed rulemaking, but instead of supporting transmission competition, FERC chose to shield incumbent monopoly electric utilities – a decision that will lead to higher costs for consumers. We urge you to communicate your concern to FERC.

Across the country, consumers are being exploited by incumbent electric utilities that have circumvented FERC Order 1000, which was supposed to usher in an era of competition. Despite that order, studies have shown that only about 3 percent of electric transmission projects are competitively bid.<sup>1</sup>

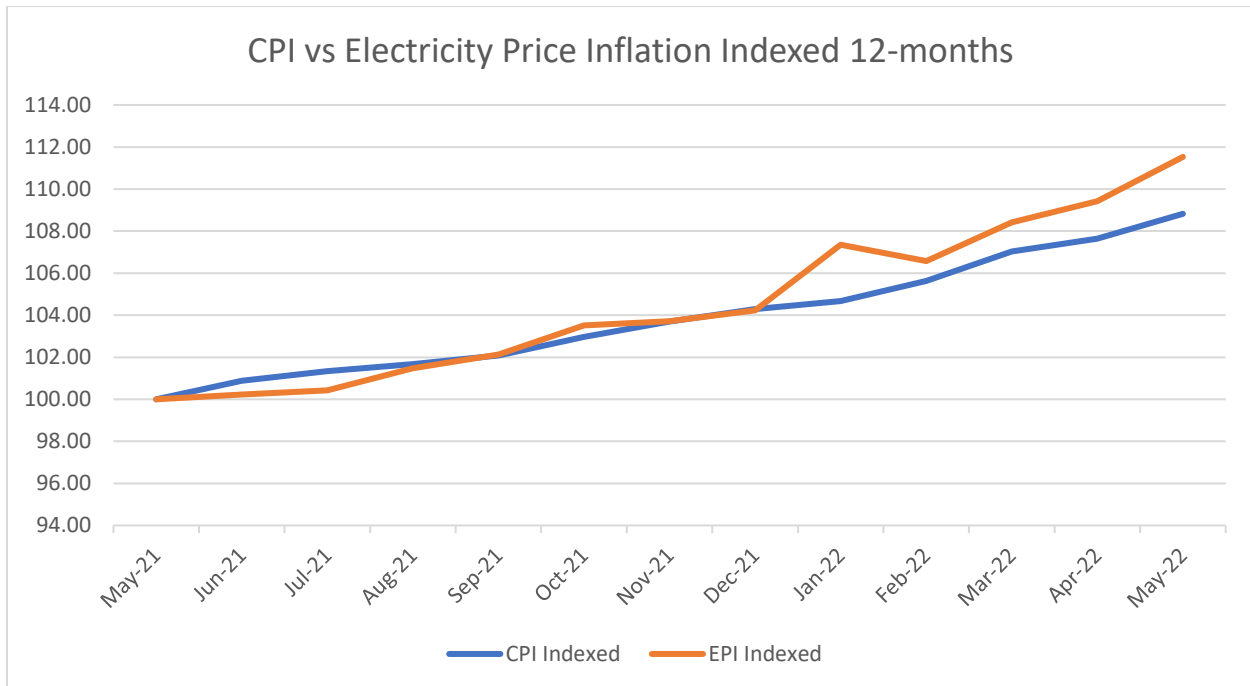
As of [May 2022](#), electricity price inflation for the last year was 12 percent, outpacing the Consumer Price Index, which is already at 40-year highs. Inflation in electricity is putting further pressure on households and businesses already grappling with uncertainty over the current business environment and persistent supply chain issues. President Biden has made fighting inflation a core part of his agenda, and support for electricity transmission competition will not only lower costs for consumers but help the US reach its climate goals.

Transmission competition is a critical part of President Biden’s plans to decarbonize the economy, which is projected by some to require record transmission spending. Under one of the scenarios outlined in Princeton University’s “Net Zero America” study scenarios the United States may need to spend \$2.1 trillion by 2050 to build out the transmission grid.<sup>2</sup>

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<sup>1</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)

<sup>2</sup> NET-ZERO AMERICA: Potential Pathways, Infrastructure, and Impacts, Princeton University, <https://netzeroamerica.princeton.edu/?explorer=year&state=national&table=2020&limit=200>



*Fig. 1: Compared to the overall Consumer Price Index, energy price inflation rose faster over the last 12 months.*

Research has shown that competition can reduce the cost of transmission projects by 20-30 percent. Therefore, a middle range 25 percent savings would save consumers an estimated \$170 billion in construction costs. Open competition is a key driver of innovation in the private sector, lowering production costs but also lowering the bills that consumers pay, alleviating long-term inflationary pressures. In short, electricity transmission competition is an important policy solution to our electricity inflation problem.

Incumbent electric utilities oppose electricity transmission competition and would have you believe that electricity electrons stop at a state's border. The 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.

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/>

cc: Senate Committee on Finance

## MEMBERS OF THE ELECTRICITY TRANSMISSION COALITON

Alliance of Western Energy Consumers (AWEC)  
Ag Processing  
Aluminum Association  
American Chemistry Council  
American Forest & Paper Association  
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  
Chemical Industry Council of Illinois  
Coalition of MISO Transmission Customers  
Commercial Metals Company  
Council of Industrial Boilers Organization  
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  
Illinois Industrial Energy Consumers  
Indiana Cast Metals Association  
Indiana Industrial Energy Consumers  
Industrial Energy Consumers of America  
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  
Maryland Office of People's Counsel  
Messer Americas  
Metalcasters of Minnesota  
Michigan Chemistry Council  
Midwest Food Products Association  
Minnesota Large Industrial Group  
Multiple Intervenors, NY  
National Council of Textile Organizations  
National Retail Federation  
NextEra Energy  
North Carolina Manufacturers Alliance  
NovoHydrogen  
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