



**Electricity
Transmission
Competition
Coalition**

April 7, 2022

The Honorable Jennifer Granholm
Secretary
U.S. Department of Energy
1000 Independence Ave, SW
Washington, DC 20585

Re: Support Electricity Transmission Competition to Reduce Consumer Costs and Inflation

Dear Secretary Granholm:

The undersigned organizations urge you to aggressively support electricity transmission competition, especially for projects that are 100 kV and larger, as FERC proceeds to address electricity transmission planning in 2022. Competition reduces costs to consumers and combats inflation. From 2014 to 2020, RTO/ISO transmission costs increased by \$74.9 billion or 79 percent, while electricity demand was flat. Nationwide demand in 2014 was 3.76 billion MWh and 2020 was 3.72 billion MWh.¹

The request 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. 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 scenario the U.S. may need to spend \$2.1 trillion by 2050 to build out the transmission grid.³ Studies have shown that competition can reduce the

¹ Electricity, U.S. Energy Information Administration, <https://www.eia.gov/electricity/>

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

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

cost of transmission projects by 20-30 percent. Therefore, a 25 percent savings would save consumers an estimated \$170 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 are in 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

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Chairman, Electricity Transmission Competition Coalition

<https://electricitytransmissioncompetitioncoalition.org/>

MEMBERS OF THE ELECTRICITY TRANSMISSION COALITON

American Forest & Paper Association
Ag Processing

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

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
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
Maryland Office of People's Counsel
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
Ohio Steel Council
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