



**Electricity  
Transmission  
Competition  
Coalition**

October 31, 2022

The Honorable Joe Manchin  
Chairman  
Senate Committee on Energy and Natural Resources  
304 Dirksen Senate Office Building  
Washington, DC 20510

***Re: Energy Independence and Security Act of 2022 – Include Electricity Transmission Competition to Fight Inflation and Reduce Consumer Costs by \$525 billion by 2050***

Dear Chairman Manchin:

The undersigned 86 organizations from across the nation urge you to include the legislative provision below which would require competitive processes for all transmission projects that involve FERC jurisdictional transmission facilities of 100 kilovolts or greater. Competition drives down costs for families and businesses that are captive consumers. Competition reduces inflation, is consistent with American values, and has bipartisan support.<sup>1</sup> Nationwide, from 2014 to 2020, RTO/ISO transmission costs increased by \$74.9 billion, or 79 percent, while electricity demand was flat (see Figure 1).<sup>2</sup>

The legislation is also needed because the FERC April 21 notice of proposed rulemaking on transmission and planning rejects competition, protects incumbent monopoly utilities, and reinstates federal anti-competition right of first refusals. Support for transmission competition is consistent with President Biden’s comments during his State of the Union address on March 1, 2022, when he stated, “Capitalism without competition is exploitation” and also in his Executive Order on “Promoting Competition in the American Economy.”<sup>3</sup>

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<sup>1</sup> Senator Heinrich (D-NM) and Senator Lee (R-UT) Letter to FERC on Bipartisan Support for Transmission Competition, September 30, 2022, [https://www.ieca-us.com/wp-content/uploads/2022.9.30-FINAL-Pro-Competition-Senate-ENR-letter-to-FERC\\_-Heinrich-Lee.pdf](https://www.ieca-us.com/wp-content/uploads/2022.9.30-FINAL-Pro-Competition-Senate-ENR-letter-to-FERC_-Heinrich-Lee.pdf)

<sup>2</sup> Electricity, U.S. Energy Information Administration, <https://www.eia.gov/electricity/>. Nationwide demand was 3.76 billion MWh in 2014 and 3.72 billion MWh in 2020

<sup>3</sup> “Executive Order on Promoting Competition in the American Economy,” The White House, July 9, 2021, <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/07/09/executive-order-on-promoting-competition-in-the-american-economy/>

Consumers are being exploited by incumbent electric utilities that have circumvented FERC Order 1000 which was supposed to usher in an era of competition. Studies show that only about 3 percent of electric transmission projects are competitively bid.<sup>4</sup> 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 scenarios the U.S. may need to spend \$2.1 trillion by 2050 to build out the transmission grid.<sup>5</sup> Studies have shown that competition can reduce the cost of transmission projects by 20-30 percent. Therefore, a 25 percent savings would save consumers an estimated \$525 billion.

**FIGURE 1: Comparison of Transmission Investment by Region 2014 – 2020 (\$ millions)<sup>6</sup>**

| 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    |

### TRANSMISSION COMPETITION LEGISLATIVE LANGUAGE

1. It is the policy of the United States that
  - a. the planning, siting, permitting, and operation of a modernized and integrated bulk electricity transmission system should facilitate a reliable, resilient, and cost-effective electricity supply and any necessary replacement of transmission infrastructure that is nearing the end of its useful life, at least cost to consumers; and

<sup>4</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>5</sup> NET-ZERO AMERICA: Potential Pathways, Infrastructure, and Impacts, Princeton University, <https://netzeroamerica.princeton.edu/?explorer=year&state=national&table=2020&limit=200>

<sup>6</sup> S&P Global Market Intelligence Regulatory Research Associates Regulatory Focus: An Overview of Transmission Ratemaking in the U.S. – 2021 Update

- b. the public interest is served by removing regulatory and jurisdictional barriers to coordinated, cost-effective, and competitively procured investments, and by promoting competitively procured investment in the Nation's electric grid system.
2. Not later than 18 months after the date of enactment of this Act, the Commission shall promulgate a final rule that:
  - a. Requires all regions of the country to conduct competitive processes for transmission projects that involve transmission facilities of 100 kilovolts or greater, unless such projects are required to address an immediate need on the system that arises as a result of unforeseeable circumstances, including a consumer's expedited request to interconnect new electricity-consuming facilities to the bulk electricity transmission system; and
  - b. Allows all qualified transmission developers to participate and be selected in the competitive processes under (2)(a).
3. Any State laws that prohibit or impede the objectives set forth in Section 2; or that state that an entity does not qualify to apply for State or local authorization to construct a transmission project because the developer does not presently serve end-use consumers in the State; or that limit transmission permitting or ownership to entities owning existing transmission facilities in the State or existing public utilities in the State; or that provide existing transmission owners with a right of first refusal or any preference for transmission project construction or ownership are hereby preempted.

Thank you for considering this important provision 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: The Honorable Jennifer Granholm  
Senate Committee on Energy and Natural Resources

## **MEMBERS OF THE ELECTRICITY TRANSMISSION COMPETITION COALITION (ETCC)**

Ag Processing  
Alliance of Western Energy Consumers  
Aluminum Association  
American Chemistry Council  
American Forest and 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  
Coastal Energy Corporation  
Commercial Metals Company  
Council of Industrial Boilers Organization  
Delaware Energy Users Group  
Digital Realty  
Domtar Corporation  
Eramet Marietta Inc.  
Formosa Plastics Corporation, U.S.A.  
Foundry Association of Michigan  
Gerdau Ameristeel Inc.  
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  
Large Energy Users Coalition (NJ)  
Lehigh Hanson, Inc.

LS Power Development, LLC  
Maine Industrial Energy Consumer Group  
Marathon Petroleum Company  
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, Inc.  
North Carolina Manufacturers Alliance  
NovoHydrogen  
Office of the People's Counsel for the  
District of Columbia  
Ohio Cast Metals Association  
Ohio Chemistry Technology Council  
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  
Skana Aluminum Company  
Steel Manufacturers Association  
Texas Cast Metals Association  
TimkenSteel Corporation  
Vallourec STAR LP  
Vinyl Institute  
Virginia Manufacturers Association  
West Virginia Energy Users Group  
West Virginia Manufacturers Association  
Wisconsin Cast Metals Association  
Wisconsin Industrial Energy Group