



Electricity
Transmission
Competition
Coalition

August 02, 2022

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

Re: Embrace Electricity Transmission Competition to Fight Inflation

Dear Secretary Granholm,

Consumers have been struggling with soaring electricity price inflation, which has put significant strain on the finances of households and businesses. Unfortunately, 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 even higher costs for consumers for decades to come. On behalf of the Electricity Transmission Competition Coalition and the undersigned organizations, I urge you to support electricity transmission competition in the fight against inflation.

According to the June Consumer Price Index (CPI) report, electricity price inflation for the past 12 months was 13.7 percent, outpacing inflation overall, which is already at 40-year highs. Energy price increases contributed to over half of this month's increase in the CPI, adding to the strain caused by uncertainty over the current business environment and persistent supply chain issues.

The Inflation Reduction Act is estimated to reduce the deficit by \$300 billion to help fight inflation. The Biden administration could go even further and save taxpayers over \$800 billion in spending by 2050 by embracing electricity transmission competition. FERC should take immediate regulatory action and require that all transmission projects that are 100 kV or larger be competitively bid, thereby reducing ratepayer costs by up to 40 percent, lowering inflationary pressures, and providing financial relief to consumers.

Research by The Brattle Group has shown that competition can reduce the cost of transmission projects by as much as 40 percent.¹ Princeton University has estimated that the US will require \$2.1 trillion in transmission spending by 2050 to reach the country's net-zero climate goals², which means that competition could save as much as \$840 billion over the next 30 years. This simple regulatory measure will lower rates for consumers and save the government billions, while helping to reduce long-term inflationary pressures.

Transmission spending is a critical part of President Biden's plan to decarbonize the economy and competition will be a key factor in decarbonizing the economy without stoking inflation.

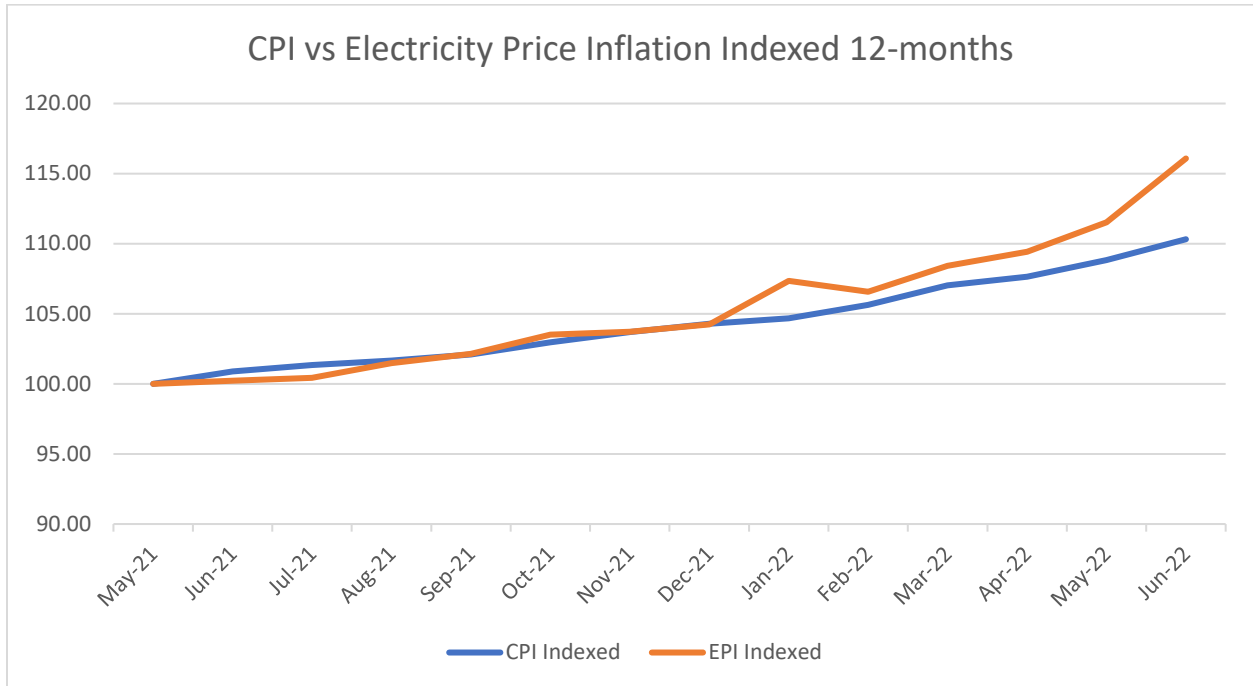


Fig. 1: Compared to the overall Consumer Price Index, energy price inflation rose faster over the last 12 months.

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/>

¹ The Brattle Group, Transmission Competition Under FERC Order No. 1000: What we Know About Cost Savings to Date, October 25, 2018

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

MEMBERS OF THE ELECTRICITY TRANSMISSION COALITION

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.
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