



On behalf of Wisconsin's municipal electric utilities, represented by the Municipal Electric Utilities of Wisconsin (MEUW), we oppose Senate Amendment 1 (SA1) to Senate Bill 651 (SB 651). SA1 would expand the bill's prohibitions—originally limited to critical telecommunications infrastructure—to encompass energy infrastructure equipment potentially manufactured by a foreign adversary. Municipal utilities would have to oppose the entire bill if this amendment is adopted, due to the sweeping uncertainty it introduces regarding future effects on our procurement processes, the potential for substantial cost increases, and the risks it could pose to long-term electric reliability for the communities we serve. If SA1 is adopted, municipal utilities could face several significant challenges in sourcing and deploying grid equipment going forward, including:

- Elevated procurement and installation costs resulting from a narrower pool of qualified vendors and suppliers.
- Prolonged lead times for critical grid components, compounding existing national and global supply chain pressures.
- Reliability concerns stemming from potential integration difficulties with new equipment standards or accelerated shifts in procurement practices.
- Higher rates for our customers, as these locally governed utilities would need to recover any increased costs directly through rates without shareholder-funded cushions.

We do not question the important policy goal of reducing risks associated with foreign adversaries, municipal utilities are fully committed to supporting national security measures that safeguard critical infrastructure. However, this broad expansion would place considerable operational and financial strain on publicly owned utilities as they navigate future compliance.

Federal regulations already provide meaningful protection in the energy sector. On May 1, 2020, President Donald Trump signed Executive Order 13920 empowering the U.S. Department of Energy to prohibit or restrict transactions involving bulk-power system electric equipment from foreign adversaries when they pose undue risks to national security, grid reliability, or the economy. This targeted approach addresses supply chain vulnerabilities for new acquisitions without necessitating the sweeping state-level changes proposed here.

We respectfully request rejection of SA1 to prevent unnecessary complications for Wisconsin's municipal electric systems. Thank you for your consideration of this important matter.

Please reach out to MEUW's Director of Government and Regulatory Relations, Tyler Vorpapel with any questions. Tyler can be reached at (920) 265-7720 or tvorpapel@meuw.org.