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To: Wisconsin State Legislature

From: Todd Stuart, Executive Director
Wisconsin Industrial Energy Group, Inc.

Re: Opposition to Senate Bill 838 – right of first refusal for transmission owners

Date: January 14, 2021

Wisconsin's largest energy users, employing 35,000 Wisconsin residents across the state, **urge you to oppose Senate Bill 838**. SB 838 would create a "right of first refusal" for transmission owners in Wisconsin - essentially eliminating competition on the development of new transmission projects and protecting monopoly status.

This is effectively a tax hike on already high rates. Wisconsin's ratepayers simply can't afford additional cost burdens. High electric rates are essentially a tax on all Wisconsin homeowners and businesses. Wisconsin's electric rates have been well above the Midwest average since 2003 and continue to be above the national average. Transmission costs have been a contributing factor in Wisconsin's persistently high rates. According to the PSC, transmission costs increased at an annual rate of 4.5% between 2009 and 2018.

Lack of competition will cost Wisconsin businesses and consumers more money. Without competition, there are fewer checks and balances on cost estimates, and no pressure or incentive to curb transmission project costs and prevent cost overruns. According to recent studies, transmission projects subject to competition can reduce costs to consumers by 33% or more.

Wisconsin can't afford this. With many utility customers, both large and small, already seeing double digit rate hikes on their electric bills effective in 2022, Wisconsin needs to preserve all avenues of reducing rates to ratepayers. There is expected to be \$100 billion in new transmission projects in our region in the coming years. With recent competitive processes demonstrating competition's benefit of reducing recent transmission project costs by over 15% plus cost caps, Wisconsin should maintain the right of competition to prevent further increases.

The Wisconsin Industrial Energy Group and our members respectfully ask that you oppose SB 838. Wisconsin needs *more* competition not *less*. Wisconsin businesses and families need your help limiting rate increases like those that will come from this proposal.