

Tuesday, May 19<sup>th</sup>, 2020

The Honorable Frank Pallone  
Chairman  
Committee on Energy and Commerce  
2125 Rayburn  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Greg Walden  
Ranking Member  
Committee on Energy and Commerce  
2322 Rayburn  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Lisa Murkowski  
Chairman  
Committee on Energy and Natural  
Resources  
304 Dirksen, U.S. Senate  
Washington, DC 20510

The Honorable Joe Manchin  
Ranking Member  
Committee on Energy and Natural  
Resources  
304 Dirksen, U.S. Senate  
Washington, DC 20510

Dear Chairmen Pallone and Murkowski, Ranking Members Walden and Manchin:

As your Committees begin to consider future legislative packages that promote economic recovery, create jobs and lower costs for the nation's consumers, our associations, who represent the commercial and industrial sectors, energy generating technologies and suppliers, as well as public interest groups, write to highlight the opportunity provided by several legislative ideas that are reflected in the House Energy and Commerce Committee's recent "CLEAN Future Act" discussion draft.<sup>1</sup> Namely, the draft's provisions to expand, improve, and modernize the nation's competitive wholesale electricity markets would simultaneously reduce consumer costs and foster new business opportunities that can create jobs and grow the economy. While our associations may have different perspectives on the individual provisions of the CLEAN Future Act under consideration, we all agree that it is time for Congress to consider building upon and refining the ideas put forth in the draft in upcoming legislative packages.

The country is experiencing a public health and economic emergency, the full impact of which will not be fully understood for some time. Given the foundational role that electricity plays in unlocking virtually all economic activity in the United States, it is vital that Congress take full advantage of any opportunity to lower consumer electricity costs and expand jobs and economic activity in the electricity sector.

Multiple studies have found that competitive wholesale electricity markets, and in particular those managed by independent grid operators such as regional transmission organizations, deliver consumer benefits such as lower prices, increased access to clean energy and innovative technologies, and increased reliability.<sup>2</sup> For example, the wholesale electricity

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<sup>1</sup><https://energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/0128%20CLEAN%20Future%20Discussion%20Draft.pdf>

<sup>2</sup> Steve Cicala, *Imperfect Markets Versus Imperfect Regulation in U.S. Electricity Generation* (Chicago: Energy Policy Institute at the University of Chicago, May 9, 2019), [http://home.uchicago.edu/~scicala/papers/elec\\_gov\\_v\\_mkt/elec\\_gov\\_v\\_mkt\\_draft\\_2.pdf](http://home.uchicago.edu/~scicala/papers/elec_gov_v_mkt/elec_gov_v_mkt_draft_2.pdf); *Powering New York—Responsibly*, (Rensselaer, NY: New York Independent System Operator, n.d.) [https://www.nyiso.com/documents/20142/3070427/NYISO\\_15\\_Year\\_Brochure.pdf/fc2195ec-ce66-4e34-b058-1bdaf16ab73c](https://www.nyiso.com/documents/20142/3070427/NYISO_15_Year_Brochure.pdf/fc2195ec-ce66-4e34-b058-1bdaf16ab73c);

markets operated by the Midcontinent Independent System Operator and PJM Interconnection have each provided over \$3 billion in net benefits annually, whereas the Southwest Power Pool provided \$1.6 billion in savings since 2014.<sup>3</sup> Creating new and protecting and expanding existing markets will bring those benefits to new consumers and businesses. Prospective studies have estimated that market expansion will produce billions of dollars in annual savings in the West and the Southeast.<sup>4</sup> These benefits are exactly why there is growing interest from states and stakeholders in those regions in creating or joining regional entities that oversee and operate competitive wholesale power markets.

Congress can help consumers and businesses protect these benefits not only by encouraging efforts to expand wholesale electricity markets but also by facilitating the improvement of those markets. Competitive markets work best when they are responsive to the needs of customers and when they provide access for new entrants with innovative technologies and business models. Expanding and improving wholesale markets will also create jobs and accelerate economic growth. By lowering energy costs and facilitating market access for emerging technologies, competitive markets can increase the economic competitiveness of American industry, facilitate business investment and expansion, and create new industries that will employ more Americans.

Competitive wholesale electricity markets are poised to unleash the cost-effective, clean, reliable, and resilient solutions that electricity customers demand and deserve and that can help meet the immense economic challenges the country faces. We stand ready to work with the Committees in a bipartisan manner to find appropriate and effective ways to ensure all consumers and businesses across the country receive the myriad benefits that they provide.

Sincerely,

Advanced Energy Buyers Group  
Advanced Energy Economy  
American Chemistry Council  
American Forest and Paper Assoc.  
Business and Institutional Furniture Manufacturers Assoc.  
ConservAmerica  
Electricity Consumers Resource Council  
Electric Power Supply Assoc.

Energy Choice Coalition  
National Retail Federation  
Renewable Energy Buyers Alliance  
Retail Industry Leaders Assoc.  
R Street Institute  
Small Business & Entrepreneurship Council  
TechNet

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<sup>2</sup> "Benefits," Western Energy Imbalance Market website, accessed May 30, 2019, <https://www.westerneim.com/Pages/About/QuarterlyBenefits.aspx>; .

<sup>3</sup> "PJM Value Proposition," PJM website, accessed May 30, 2019, <https://www.pjm.com/about-pjm/value-proposition.aspx>; "MISO Value Proposition," MISO website, accessed May 30, 2019, <https://www.misoenergy.org/about/miso-strategy-and-value-proposition/miso-value-proposition/>; New York Independent System Operator,

<sup>4</sup> Johannes P. Pfeifenberger, Judy W. Chang, and David Luke Oates, *Senate Bill 350 Study Volume XII: Review of Existing Regional Market Impact Studies* (The Brattle Group, July 8, 2016), <https://www.caiso.com/Documents/SB350Study-Volume12ReviewofExistingStudies.pdf>; Judy W. Chang Johannes P. Pfeifenberger John Tsoukalis, *Production Cost Savings Offered by Regional Transmission and a Regional Market in the Mountain West Transmission Group Footprint*, The Brattle Group, December 2016, <https://www.wapa.gov/About/keytopics/Documents/mountain-west-brattle-report.pdf>; Judy Chang Johannes Pfeifenberger John Tsoukalis, *Potential Benefits of a Regional Wholesale Power Market to North Carolina's Electricity Customers*; The Brattle Group, April 2019 [https://brattlefiles.blob.core.windows.net/files/16092\\_nc\\_wholesale\\_power\\_market\\_whitepaper\\_april\\_2019\\_final.pdf](https://brattlefiles.blob.core.windows.net/files/16092_nc_wholesale_power_market_whitepaper_april_2019_final.pdf); Bentham Paulos, "A Regional Power Market fir the West: Risks and Benefits; Next 10, July 2018 <https://next10.org/sites/default/files/regional-power-market-west.pdf>