



Protect Wisconsin Ratepayers From Higher Utility Bills Oppose Senate Bill 28

Our diverse coalition is committed to protecting Wisconsin ratepayers from higher utility bills. We strongly urge you to support competition in transmission line bidding at all levels, which will ensure cost savings, fair rates, reliability, and transparency for all Wisconsin residents and businesses.

Background

This marks the third consecutive session incumbent utilities have pursued protectionist state Right of First Refusal (ROFR) laws on transmission line projects in Wisconsin. This proposal was the most lobbied on bill in the previous session and with bid deadlines approaching over the coming months, it should be expected to see another wave of influence in the Capitol. A total of \$100 billion in new transmission projects is expected in our region with \$1.8 billion to be competitively awarded to Wisconsin in the coming months.

The Need for Competition

Wisconsin, which once paid among the lowest rates in the country for electricity, now pays the 2nd highest in the Midwest. The Wisconsin Public Service Commission recently authorized roughly \$550 million in additional electric and natural gas rates for 2025 and 2026 bringing the total to \$2 billion since 2019. Any policy, like SB 28, that adds additional costs to utility bills should be opposed.

Impact of Competition

It is well documented; competition keeps costs down when compared to ROFR laws. Bids within the Midwest region on average saved up front nearly 40% in project implementation costs. Without competition, projects typically do not include cost cap protections, or lower Return on Equity percentages for utilities and lack proper checks and balances. Without competition there is less incentive to control transmission project costs or prevent overruns. While proponents push that this policy is necessary to protect state control, in reality it only protects the profits of investor-owned incumbent utilities.

Cost “Sharing” Rebuttal

We are fully versed in the argument proponents are pushing related to cost “sharing” to surrounding states. It is a misleading characterization that the “home team” or incumbent is the only transmission line builder able to share operating and maintenance costs (O&M) with other states within the Midcontinent Independent System Operator (MISO) footprint.

Under the current rules, ANY qualified transmission line builder can spread their O&M costs over the neighboring MISO states. There is no need to change the law to receive the “benefits” of shifting O&M costs. O&M cost shifting happens with or without a ROFR law in place.

The only “urgency” to pass a ROFR law is to short circuit the competitive bidding process for two new large sets of Wisconsin projects, which are scheduled go out for bid in the very near future.

Final Remarks

On top of increased costs, protectionist state ROFR laws have been overturned by federal and state courts and ruled unconstitutional for violating the dormant Commerce Clause and on the grounds of logrolling. One can assume it is likely headed to the U.S. Supreme Court due to conflicting Circuit opinions.

Please protect your constituents from another increase to their utility bill.

We respectfully ask you to oppose Senate Bill 28.

