January 7, 2026

Re: Southwest Power Pool: 2025 ITP Short-Term Reliability Projects Report

Dear Board of Directors:

SPP's Short-Term Reliability (STR) designation and potential resulting exclusion of STR projects from competition raise serious policy, cost, and accountability concerns, particularly given the billions of dollars of STR projects at stake in SPP's STRP Report. These concerns are magnified where STR projects cannot reasonably be placed in service within the timeframe contemplated by the Open Access Transmission Tariff ("OATT"). Therefore, we urge you, to the maximum extent possible, to subject STR projects to SPP's competitive bidding process to protect SPP ratepayers. Compared to utility direct assignment, competition results in greater schedule accountability, cost discipline, and transparency that benefits ratepayers. See Table 3 that dispels common myths used by incumbent monopoly utilities to avoid competition.

It is for this reason that ETCC supports comments filed by NextEra Energy, LS Power, and Viridon, utilities that support competition.

The contemplated STR projects amount to about $3.8 billion and with potentially 550 plus miles of greenfield HV and EHV transmission. All of which will be passed onto the ratepayer.

Escalating electricity prices are now a household discussion and a seminal political issue for the 2026 election. Homeowners, people on fixed income, ranchers, and price sensitive manufacturing with millions of jobs at stake are impacted by your decisions. For manufacturing, higher electricity costs threaten competitiveness and millions of high paying jobs (see Table I.) You have an awesome responsibility to protect the public interest.

When FERC transmission incentives of 10-13 percent ROEs and financing costs are added to the initial capital cost of a transmission project, the total cost to the ratepayer increases by seven or eight times over the life of the project. Decisions today impact ratepayer electricity prices for decades to come.

It is essential that you defend and protect SPP ratepayers from higher electricity transmission costs by ensuring that the proposed STR projects be subjected to SPP's competitive bidding process to the maximum extent possible. Competition is the American way. Policymakers such as yourselves must not bend to the will of incumbent utility monopolies. Table 2 illustrates 23 completed transmission projects that were competitive resulting in significant savings. Savings from the lowest bid to the highest bid was as much as 65 percent.

Electric utility monopolies have a perverse incentive to spend. The more they spend the more profit they make. It is for this reason that SPP must require its member transmission owners to compete to build SPP's regionally planned transmission lines to the maximum extent possible. Without competition, SPP's monopoly electric Transmission Organizations (TO's) do not have an incentive to reduce costs.

SPP operates under the Federal Power Act (FPA) which is first and foremost a consumer protection act. Allowing SPP's TOs to evade competition to pad their profits is inconsistent with the FPA and results in unjust and unreasonable electricity prices.

Finally, ensuring reliability does not require abandoning competition, particularly when competition has been shown time and time again across the U.S. to achieve reliability while mitigating cost and schedule risk to ratepayers. When regional transmission projects are competitively bid, costs are reduced, projects are completed on time, and ratepayers benefit.

Sincerely,

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cc: Senate Committee on Energy and Natural Resources
House Committee on Energy and Commerce
The Honorable Chris Wright, U.S. Department of Energy
The Honorable Doug Burgum, U.S. Department of the Interior
FERC Commissioners
Governors from AR, IA, KS, LA, MN, MO, MT, NE, NM, ND, OK, SD, TX, WY

TABLE 1
SOUTHWEST POWER POOL STATES – MANUFACTURING DATA

State	2025 Manufacturing Employees (thousands)	2024 Manufacturing GDP ($millions)	2024 Manufacturing Electricity Consumption (Megawatthours)
Arkansas	165.2	25,328.5	19,525,858
Iowa	216.8	44,348.1	27,646,583
Kansas	174.1	36,400.8	11,627,501
Louisiana	142.9	59,678.0	40,720,072
Minnesota	323.2	60,129.4	20,015,581
Missouri	279.8	51,729.0	12,953,946
Montana	20.2	4,519.4	4,832,494
Nebraska	102.0	20,274.3	11,914,906
New Mexico	29.2	4,774.2	13,355,945
North Dakota	28.4	6,902.4	13,549,609
Oklahoma	141.0	23,537.8	22,343,103
South Dakota	43.9	5,493.5	3,355,659
Texas	968.1	330,773.7	176,135,056
Wyoming	10.7	4,012.7	8,974,198
Total	**2,645.5**	**677,901.8**	**386,950,511**

Sources: State Employment, U.S. Bureau of Labor Statistics (BLS), Regional Data, GDP, U.S. Bureau of Economic Analysis (BEA), Electricity, U.S. Energy Information Administration (EIA)

TABLE 2

FERC Order 1000 Competitive Transmission Projects 2021 – 2025
Cost Overrun Protections & Schedule Guarantees Common

Bid Year	Region	Project	Lowest Bid Cost ($MM)	Highest Bid Cost ($MM)	Cost Range ($MM Savings)	Lowest Bid Savings From Highest Bid	Cost Containment Offered on Winning Bid	Schedule Guarantee Offered on Winning Bid
2021	SPP	Minco – Pleasant Valley 345 kV	$55	$97	$42	43%	Yes	Yes
2022	SPP	Wolfcreek – Blackberry 345 kV	$85	$151	$66	44%	Yes	Yes
2023	SPP	Crossroads – Hobbs – Roadrunner 345 kV	$220	$292	$72	25%	Yes	Yes
2024	SPP	Mathewson – Redbud 345 kV	$72	$84	$12	14%	Yes	Yes
2025	SPP	Lynch – Medanos 115 kV	$21	$36	$15	42%	Yes	Yes
2025	SPP	Beckham County – Potter 345 kV	$222	$225	$3	1%	Yes	Yes

2022	PJM	2022 Multi Driver Window	$2	$127	$126	99%	No	No
2023	PJM	2022 Window 3 West Cluster	$684	$2,395	$1,711	71%	Yes	Yes
2023	PJM	2022 Window 3 East Cluster	$495	$5,381	$4,886	91%	Yes	No
2023	PJM	2022 Window 3 South Cluster	$628	$1,226	$598	49%	Yes	No
2024	PJM	2024 RTEP Virginia Cluster	$2,260	$5,500	$3,240	59%	Yes	No
2024	PJM	2024 RTEP Ohio Cluster	$202	$455	$253	56%	Yes	No
2025	PJM	2025 RTEP Pennsylvania PPL zone	$415	$1,136	$721	63%	Yes	No
2020	MISO	Hiple to IN/MI State Border 345 kV	$77	$125	$48	38%	Yes	Yes
2022	MISO	Fairport to Denny to IA/MO State Border 345 kV	$84	$154	$70	45%	Yes	Yes
2023	MISO	Denny–Zachary–Thomas Hill–Maywood 345 kV	$265	$486	$221	45%	Yes	Yes
2025	MISO	Reid EHV to IN/KY State Border 345 kV	$78	$104	$26	25%	Yes	Yes
2022	CAISO[1]	Collinsville Substation	$270	$575	$305	53%	Yes	Yes
2022	CAISO[1]	Manning Substation	$175	$405	$230	57%	Yes	Yes
2022	CAISO[1]	Newark-NRS HVDC	$900	$418[1]	#N/A	#N/A	Yes	Yes
2022	CAISO[1]	Metcalf – San Jose B HVDC	$1,000	$570[1]	#N/A	#N/A	Yes	Yes
2023	CAISO[1]	North Gila – Imperial Valley 500kV T-Line	$256	$340	$84	25%	Yes	Yes
2023	CAISO[1]	Imperial Valley – North of SONGS 500kV T-line/Sub	$1,004	$2,228	$1,224	55%	Yes	No
2023	CAISO[1]	North of SONGS – Serrano 500kV T-Line	$292	$503	$211	42%	Yes	No
2024	CAISO[1]	Humboldt – Collinsville 500kV T-Line/Sub	$1,165	$2,300	$1,135	49%	Yes	Yes
2024	CAISO[1]	Humboldt – Fern Road 500kV T-Line	$684	$1,200	$516	43%	Yes	Yes

1) CAISO does not publish full list of all bid cost. Low bid is typically selected and CAISO cost estimate is used as high bid for reference.
2) Bids do not include any Public Policy or State Goals driven Transmission RFPs (e.g., Offshore Wind Transmission)
3) ISO-NE and NYISO have not facilitated a competitive transmission RFP in the last five years, excluding offshore wind transmission.
4) ERCOT does not facilitate competitive transmission RFPs.
5) All information contained here is based on publicly available information on each respective RTO/ISO website.

TABLE 3
DISPELLING MONOPOLY UTILITY MYTHS ABOUT COMPETITIVE BIDDING OF NEW TRANSMISSION PROJECTS

At a historic time when massive amounts of capital and megaprojects must be constructed on accelerated timeframes, the open market will provide the best solutions for timely, reliable, cost-effective grid buildout.

Myth #1: *Competition prolongs both the transmission planning process and development without clearly delivering cost savings or more innovative delivery.*

Reality Check: **Well-designed competitive bidding processes deliver timely, reliable and lower cost infrastructure.**

- Recent RTO/ISO solicitations in SPP and CAISO show competition has not delayed delivery.[1]
- Incumbent utility reports to the contrary, there is no evidence that incumbent utilities can move Order 1000-bid greenfield projects any faster than competitive developers.
    - Example: A project that was not competitively bid: In Nebraska, the "R-Plan" 345kV project has yet to be complete, projected energization at the end of 2027, despite being approved in 2013 – a 14-year lead time. Conversely, the competitively bid Wolf Creek – Blackberry 345kV and Minco – Pleasant Valley – Draper 345kV projects were approved in 2021 and 2022, respectively and energized in 2025—4- and 3-year lead times, respectively.
- Transmission planning and project scoping take time with or without competitive processes. Robust planning and scoping processes, like those used in competitive processes, reduce in-service delays.
- Competition increases schedule accountability whereas bidders often offer firm schedule guarantees with financial penalties which accelerates completion.[2] Incumbent utilities face fewer on-time performance incentives.

[1] SPP's Wolf Creek–Blackberry 345 kV competitive project was energized 6 months ahead of target at ~27% lower cost than SPP's estimate (SPP TOSP data, Utility Dive 2022). CAISO competitive solicitations lower ratepayer costs and decrease delays (CA Public Advocates Office 2023).
[2] Brattle Group (2021): Competitive bids were 20–30% below reference costs. CAISO (2013–2019) recorded ~29% average capital cost reductions in competitive projects.

    - In 2024, SPP directly assigned $3.2 B of projects to incumbents due to "short term reliability need" thus skipping the competitive process. The project cost overruns are **over $2.2 B** with the final costs post-energization still likely higher. The cost overrun also only reflects capital construction costs and when factoring in 40-year present value revenue requirement, the cost implication for consumers is even higher. None of the projects included deadline guarantees for start-up.
    - The MISO RIKY, CAISO Humboldt (x2), and SPP Matthewson-Redbud, Lynch-Medanos, and Potter-Beckham projects, all of which were competitively awarded in 2025, included schedule commitments.
- Competition increases project timeline transparency.
    - In the above mentioned SPP directly assigned projects, the timeline for the incumbent to commit to the project and provide a final estimated cost was largely undefined while competitive processes have rigid timeframes and requirements. Competitive bids could have been run in the timeframes that it took for the incumbents to commit to the projects.

Myth #2: *Competitive bidding for transmission has not produced meaningful consumer benefits.*

Reality Check: **In regions where competitive transmission bidding is allowed, the results speak from themselves.**

- RTO/ISO data shows 20–30% lower costs from competitive bids.[3]
- The mere existence of a competitive bidding process provides the incentive for the incumbent utility to sharpen their pencils on costs and think differently. Alternative tower materials, conductor options, and schedule mitigations can only be challenged for robustness and appropriateness through the competitive process.
- It is a fundamental economic principle that competition lowers costs for customers.
- Local utility experience can't overcome the inherent financial incentive to inflate costs to increase profits. Without competition there is no incentive to reduce costs.
- If an incumbent utility is the best suited to build a given line, they should have no trouble winning in an open, fair bidding process.

Myth #3: *Cost caps are illusory, allowing competitive developers to recover costs exceeding their initial winning bid from customers, while the regulated business model keeps customer costs in check.*

Reality Check: **Competition tends to bring more rigorous cost control.**

[3] Brattle Group (2018): Competitive bids include explicit cost caps; incumbents typically recover overruns under prudence presumption. SPP Competitive NTC binds developers to cost and schedule terms.

- Competitive developers bear the burden of proving cost recovery beyond agreed caps; incumbent utilities face few penalties for cost overruns under cost-plus regulation. Risks and costs that are passed onto the ratepayer.[4]
- Even partial cost caps offer stronger consumer protection than incumbent utility projects without any cost containment.
- Incumbent utilities regularly recover overruns with limited FERC and state scrutiny.
- Local utility experience can't overcome the inherent financial incentive that utilities have to inflate costs to increase profits.

Myth #4: *Only RTO/ISO central planners and incumbents can identify the optimal transmission mix.*

Reality Check: **Competitive developers create cross-market solutions that maximize value for ratepayers.**

- Competitive developers evaluate opportunities across RTO/ISO and utility boundaries, while incumbent utilities—limited by their territorial constraints—typically focus on their retail footprint. Without legacy bias, competition yields more objective and innovative solutions as incumbents are constrained by impacts on their existing business model.
- Diversity of thought is one of the strongest benefits of Order 1000, bringing different ideas from all interested parties, which further strengthens the regulatory backing demonstrating deep due diligence to truly select the best idea.

Myth #5: *Project competition isn't needed because incumbent utilities have local expertise and will competitively bid project components.*

Reality Check: **Competition delivers the greatest innovation, cost savings, and speed. Outcomes that direct assignments cannot match.**

- Local expertise rarely improves cost accuracy or feasibility.
- Incumbent-led project selection often prioritizes self-interest over RTO-wide benefits.
- Component-level bidding is no substitute for full project competition. Sub-bidding project components like engineering construction does not lead to cost savings in the overall cost, reductions in ROE returns, schedule incentives, etc.
- Developers in all regions but CAISO must be pre-qualified as capable to design, construct, and maintain transmission projects before competitively bidding.
- All Order 1000 solicitation processes consider project sponsor expertise, experience, and future potential for project execution. If a bidding entity is less qualified, then the competitive process will demonstrate the skillset gap.

[4] Competitive developers leverage advanced modeling to identify multi-market value streams and cross-boundary benefits (Brattle 2021). MISO and SPP competitive processes encourage cross-territory, high-value transmission solutions.

About the Electricity Transmission Competition Coalition

The Electricity Transmission Competition Coalition (ETCC) is a broad-based, nation-wide coalition committed to increasing competition in America's electricity transmission infrastructure. We advocate for common-sense policies and solutions that result in competitively priced transmission projects, which reduce energy costs for all ratepayers – from large manufacturers to residential consumers. The ETCC represents a diverse group of 95 companies and organizations from all 50 states, including manufacturing groups, retail electric consumers, state consumer advocates, think tanks, and non-incumbent transmission developers.

For more information, visit: www.electricitytransmissioncompetitioncoalition.org.