

Wisconsin Industrial Energy Group: Consumers win as Iowa strikes down anticompetitive ROFR law

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Madison - In a victory for electricity consumers, the Iowa District Court for Polk County has [set aside](#) Iowa's unconstitutional Right of First Refusal (ROFR) law and regulation. In addition, the court barred the state from issuing permits on projects and intervenors from any action on their MISO assigned projects.

In March, the Iowa Supreme Court [issued a temporary injunction on](#) the ROFR law admonishing not only the process, but the policy itself:

“We are not surprised the ROFR lacked enough votes to pass without logrolling. The provision is quintessentially crony capitalism. This rent-seeking, protectionist legislation is anticompetitive. Common sense tells us that competitive bidding will lower the cost of upgrading Iowa's electric grid and that eliminating competition will enable the incumbent to command higher prices for both construction and maintenance. Ultimately, the ROFR will impose higher costs on Iowans.”

Thanks to this ruling the five large projects at issue, an estimated \$2.6 billion, will be competitively bid. Savings of an estimated 20% - 30% per project means \$500 million to \$800 million could now be saved for consumers in the Upper Midwest. The competitive financing packages, much like a lower interest rate on a home mortgage, provide relief to the consumer in the short and long run.

Wisconsin's Legislature shouldn't pass legislation (AB 470/SB 481) that will lead to costly rate hikes on its ratepayers, especially when the legislation does nothing to enhance safety or reliability.

Last week, the Electricity Transmission Competition Coalition (ETCC) released a [comprehensive report](#) outlining the high costs to consumers from state ROFR laws and the Federal Energy Regulatory Commission's (FERC) failure to enforce FERC Order 1000 and embrace competition in the Transmission Planning Notice of Proposed Rule Making.

At a time of rising energy costs Wisconsin shouldn't be removing tools to hold down higher rates. Roughly \$100 billion in large transmission projects are anticipated for the region. Voting to approve a version of Iowa's unconstitutional law makes no sense for the electricity customers of Wisconsin.