



STATE OF IOWA
KIM REYNOLDS
GOVERNOR

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Assistant Attorney General Slater –

Iowa has long been a leader in energy production. We currently rank first in the United States for electricity generated through renewable sources and are among the top 10 states for both grid reliability and low electricity prices. We take pride in this strong foundation and recognize we must also remain adaptable as technology continues to evolve and demand for energy rises. As Governor, I am committed to advancing a forward-thinking, all-encompassing energy strategy that ensures affordable energy for consumers and sets the stage for future economic growth. That is why I introduced a comprehensive energy bill during this year's legislative session.

I understand that you have provided comments on Senate Study Bill 1113, now renumbered as Senate File 585, particularly regarding Division III of the legislation – the Right of First Refusal (ROFR). You referenced President Trump's Executive Order Number 14, which declares a National Energy Emergency. I fully support the President's goal of ensuring a reliable, diversified, and affordable energy supply. The executive order also emphasizes the timely delivery of energy infrastructure. In Iowa, implementing ROFR is the most effective way to ensure that federally registered transmission line projects are built efficiently and reliably.

I would like to provide factual context for the three transmission projects you cited. You discussed the initial bid costs for these projects, but the final costs to energy customers or the outcomes of the projects themselves paint a different picture. Specifically:

- **PJM’s Artificial Island Project:** The Artificial Island project was completed one year late, and the line failed within one year of completion. It operated at less than full capacity for over a year while waiting for repairs by the developers.¹
- **NYISO’s Western New York Public Policy Transmission Project:** Although the developer of this project won the bid with a lower price, the actual costs exceeded the bid by 46%. The final cost to energy customers was nearly 20% higher than what the incumbent utility could have completed for.²
- **Hartburg-Sabine Project:** As indicated, this line was delayed due to lawsuits and ultimately was never constructed.³ However, it is important to note that the Minnesota ROFR law, which is similar to the one proposed in my bill, *LSP Transmission Holdings, LLC v. Sieben*, 954 F.3d 1018 (8th Cir. 2020) was upheld by the 8th Circuit Court of Appeals, which includes Iowa.

Iowa's proposed ROFR law aligns with President Trump’s National Emergency Executive Order by reducing federal regulatory burdens and delays that hinder critical energy infrastructure projects. By ensuring that Iowa's transmission projects are built more efficiently, we can provide Iowans with access to reliable, affordable energy well into the future.

Thank you for your attention to this matter, and I look forward to further collaboration on policies that will benefit our state and our nation's energy future.

Sincerely,



Kim Reynolds
Governor of Iowa

¹ Concentric Energy Advisors (*COMPETITIVE TRANSMISSION Experience To-Date Shows Order No. 1000 Solicitations Fail to Show Benefits*) <https://ceadvisors.com/wp-content/uploads/2022/08/Competitive-Transmission-Experience-To-Date-Shows-Order-No.-1000-Solicitations-Fail-to-Show-Benefits.pdf>

² Concentric Energy Advisors (*AN UPDATED EXAMINATION of FERC ORDER NO. 1000 PROJECTS*) <https://ceadvisors.com/wp-content/uploads/2024/04/An-Updated-Examination-of-FERC-Order-1000-Projects.pdf>

³ Howland, Ethan. “FERC Approves Canceling NextEra Transmission Project Blocked by Texas Right-of-First-Refusal Law.” *Utility Dive*, 21 Mar. 2023, www.utilitydive.com/news/ferc-nextera-transmission-Hartburg-Sabine-entergy-texas-miso-rofr/645552/. Accessed 1 Apr. 2025.