

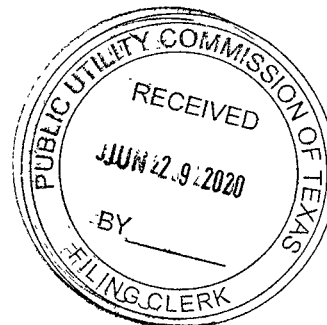
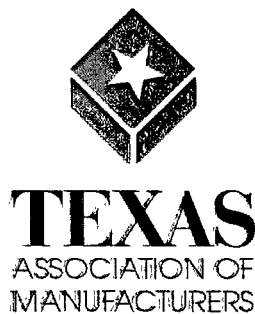


Control Number: 49737



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Chairman DeAnn T. Walker
Commissioner Shelley Botkin
Commissioner Arthur C. D'Andrea
Public Utility Commission of Texas
1701 North Congress Ave.
Austin, Texas 78701

June 29, 2020

Re: PUC Docket No. 49737; SWEPCO Wind Plants CCN Application

Dear Chairman Walker and Commissioners Botkin and D'Andrea,

The Texas Association of Manufacturers (TAM) is comprised of over 600 small and large businesses across Texas. Texas manufacturers employ over 900,000 Texans and have made Texas the number one exporting state in the nation, with \$244 billion in manufactured goods exported in 2019. TAM works to protect this pro-growth business environment to ensure a strong manufacturing sector and a competitive Texas.

We are writing to urge that you deny SWEPCO's request to construct three large and unnecessary wind farms in Oklahoma at a cost of over \$1 billion. SWEPCO does not need the capacity that would be provided by the plants, but nevertheless wants Texas ratepayers to shoulder another substantial rate increase to pay for them. We estimate that the base rate increase for Texas ratepayers during the first year all three plants would be in service would exceed \$50 million. This would come on top of SWEPCO increasing its base rates by more than 40% over the last six and a half years.

SWEPCO's claim that the wind plants would pay for themselves is based on a series of dubious assumptions. For example, SWEPCO projected that natural gas prices would be \$3.44 per MMBtu in 2020, while prices are currently less than half of that in the range of \$1.50 to \$1.70 per MMBtu. Current NYMEX futures prices confirm that these projects are likely to be money losers. Importantly, if SWEPCO's application is granted, it would be ratepayers who are at risk of SWEPCO's inflated natural gas and energy price assumptions not coming to fruition. SWEPCO would be able to profit on the plants either way.

P.O. Box 11510 ♦ Austin, TX 78711 ♦ (512) 236-1464

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SWEPCO's proposed wind plants are an unduly risky gamble, and it is ratepayer money—not SWEPCO's—that would be at risk. TAM asks that the Commission deny SWEPCO's application.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Bennett". The signature is fluid and cursive, with a large loop at the end.

Richard A. "Tony" Bennett
President & CEO