

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Impacts of COVID-19 on the Energy Industry

Docket No. AD20-17-000

**STATEMENT OF TRAVIS FISHER
PRESIDENT & CEO, ELECTRICITY CONSUMERS RESOURCE COUNCIL
PANEL 2: ELECTRICITY DEMAND AND TRANSMISSION PLANNING**

The Electricity Consumers Resource Council (“ELCON”) is grateful for the opportunity to discuss with the Federal Energy Regulatory Commission (FERC) the impacts of COVID-19 on industrial consumers and the broader implications for reliable electricity supply at just and reasonable rates.

For over 40 years, ELCON has represented large industrial consumers of electricity. Our member companies produce a wide range of products and services from virtually every segment of the industrial community. ELCON members operate hundreds of major facilities and are consumers of electricity in the footprints of all organized markets and other regions throughout the United States. Reliable electricity supply at just and reasonable rates is essential to our members’ operations. ELCON appreciates the opportunity to join today’s technical conference and share the consumer perspective.

The COVID-19 pandemic has impacted everyone from the smallest mom and pop businesses to the largest international corporations, some of which ELCON represents. For example, according to industry reports, more than 100,000 workers

have been forced out of the oil industry since the end of February. Those who remain on the job are facing pay cuts of 8 to 10 percent, and the industry will likely recover more slowly than the rest of the national economy.

Clearly these are challenging times, as we can all see from the fact that – four months into a work-from-home lockdown – many of us are still conducting business from our home offices. In light of that, I just want to take a moment to congratulate the Commission on working so effectively during this trying time. I recall months ago when I was still on staff at FERC and Anton Porter and Mark Radlinski first informed us of the situation and how dire it was, and I think they handled it flawlessly. The Chairman and FERC staff should be commended.

In the interest of time I would just like to highlight a couple of concerns that ELCON members have as we navigate this pandemic, and I'll also give an example of what our members are doing to lend a helping hand.

First, as large industrial consumers of electricity, ELCON members place a particularly high value on electric reliability. Even a small glitch can shut down a manufacturing facility for days and cost millions of dollars. According to the North American Electric Reliability Corporation (NERC), these elevated risks are likely to continue throughout the summer, and new risks may emerge. We commend NERC on its efforts to ensure that power quality remains high even during the pandemic.

Second, industrial consumers are very sensitive to the cost of the electricity. Just and reasonable rates are critical for our members to keep costs low and compete in international markets. ELCON members are concerned about the impacts to rates that

may result from some utilities attempting to recover costs connected to COVID-19. Some of the sought-after rate treatment is styled as a “recovery of fixed costs” but could in fact be a true-up of lost revenues stemming from demand slumps due to COVID-19. We have seen filings along those lines at the state level in Indiana, Wisconsin, Louisiana, and elsewhere, and ELCON members find this trend very concerning.

At the federal level, ELCON encourages the Commission to take a close look at any rate filing that may include COVID-19-related costs to ensure that they are in fact just and reasonable. It is a simple matter of fairness that certain segments of American business should not be singled out to be made whole at the expense of consumers.¹

Finally, I want to close on a high note and discuss what ELCON members are doing to help. Some of our members make the isopropyl alcohol used in disinfectants. Others manufacture industrial gases and have prioritized the supply of oxygen used to support medical professionals and give hospitalized COVID-19 patients a fighting chance. Still others have shifted their manufacturing efforts to focus on ventilation systems or personal protective equipment like face shields and masks. ELCON is proud of the work our members do, and we are especially proud of the way they continue to put the safety and health of their employees, customers, and communities at the forefront of what they do.

Thank you.

¹ See <https://www.utilitydive.com/news/will-regulators-allow-utilities-to-reap-a-windfall-because-of-covid-19/580279/>.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Travis Fisher', with a long horizontal stroke extending to the right.

Travis Fisher
President & CEO
Electricity Consumers Resource Council
1101 K Street NW, Suite 700
Washington, DC 20005
Email: tfisher@elcon.org

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