

# **WUI Testimony on Mercury Rules**

By Executive Director Bob Seitz

I am Bob Seitz, Executive Director of the Wisconsin Utility Investors, Incorporated. We are a grassroots organization representing the individual shareholders in Wisconsin's five investor-owned electric utilities.

Our members are predominantly retired Wisconsin residents or those saving for retirement. The profile of our members is generally long-term small dollar investors who chose utility stock to secure their retirement because its stability and steady dividend. For many of our members, that dividend and social security are their only means of support.

I focus on these investors because they are the real face of Wisconsin's utilities. And, because any mandated cost increases can only be born by ratepayers or these investors. For these retirees, excessive cost hits them twice – as higher electric bills and potentially lower income.

We have noticed a disturbing trend recently in Wisconsin. As environmental investments are rising, the return on investment approved by the PSC is declining. This shift in cost from ratepayers to shareholders increases the risk and reduces the reward for utility investors.

The Wisconsin Utility Investors, Incorporated supports implementation of the federal CAMR Rule as a mercury reduction target that can be reached without destroying the competitiveness of Wisconsin or causing undue hardship for our members as ratepayers or investors.

We are particularly supportive of participation in the National Trading Market to create incentives for increased mercury emission reductions. Our members care deeply about this state and its future. We would like to see the companies we invest in encouraged to go beyond federal or state requirements through the financial incentive created by the National Trading Market.

Preventing Wisconsin companies from participating in these incentives is unnecessarily punitive to Wisconsin investors. My members take great pride in their investment. Why shouldn't they profit when a company they invest in goes above and beyond the letter of the law to reduce emissions?

Finally, I caution you not to overburden these companies to the point that they lose the financial ability to respond to the needs of our state. Some states have made their utilities so uncompetitive that they can no longer raise individual investments to meet their required expenditures. They are forced to borrow so much at such a small rate of return that they are in danger of having to enter the junk bond market.

If Wisconsin goes down this path, we risk losing our homegrown utilities with their homegrown investment base. Utility rates will then be driven by the high interest junk bond market instead of investment in cleaner power.

We must set attainable goals that won't sacrifice Wisconsin jobs and investment to places like China that have no environmental standards. EPA studies show we are currently importing mercury emissions from China. If we make ourselves less competitive, Wisconsin will export more jobs and import more mercury. Our environment will not improve. But, Wisconsin workers and retirees will be hurt.

For these reasons we oppose the 90% mandate in the Wisconsin proposal and strongly urge you to allow the win-win of emissions trading.

Thank you.