

Item 22/22a

Economic Development Rates

A04-04-008 et al.

Statement of Commissioner Timothy Simon

September 6, 2007

Colleagues:

Over the last several weeks, my staff has met with a variety of companies who made major investments in plants, equipment and jobs in California. For some with high energy costs, such as the manufacturers of glass, only the availability of an Economic Development Rate has enabled them to remain in California. More importantly these contracts for Economic Development Rates were signed in good faith and with the expectation that what the Commission approved the Commission would honor. Without these contracts, they would have left for other neighboring States.

Item 22a is good for California. It honors the price commitments made to these manufacturers who have elected to stay in California. It is good for jobs, the California economy, and it is lawful. As Governor Schwarzenegger has emphasized, it is important for California's economy to not only retain, but also to attract businesses. This measure is an efficient market driven program that will continue to benefit California's economy. For these reasons, I support Item 22a.