Affordability Rulemaking, Phase 3   En Banc

Non-Ratepayer Sources of Funding

CATHERINE YAP, ON BEHALF OF
CALIFORNIA LARGE ENERGY CONSUMERS ASSOCIATION (CLECA)
FEBRUARY 28, 2022
California Large Energy Consumers Association (CLECA)

CLECA is an organization of large, high-load factor industrial electric bundled service, Community Choice Aggregation (CCA) and Direct Access (DA) customers located throughout the state.

These companies are in the steel, cement, industrial gas, pipeline, minerals processing, cold storage, and beverage industries.

CLECA members share the fact that electricity costs comprise a significant portion of their cost of production.

CLECA members engage in the Base Interruptible Program and other demand response programs both to promote grid reliability and to help mitigate the impact of the high cost of electricity in California on the competitiveness of manufacturing.
Non-Ratepayer Sources of Funding

Are critical to keeping electricity rates affordable for all ratepayers

Are critical to the survival of manufacturing in California

Are reasonable since Californians will understand that:

• Reducing emissions from transportation is a transportation issue not an electric utility issue
• Converting homes to electricity for heating, hot water heating, and cooking is a housing issue not an electric utility issue
Electricity Increases Are Accelerating
Electricity Increases Are Accelerating

Pacific Gas & Electric: Average Bundled Rates over Time

13.5% annual rate increase

3.3% annual inflation over 2016-2022
Increased Electricity Prices Worsen an Already Bad Situation
Industrial customers compete in national and international markets and cannot just “pass along” increases in costs.

Electricity costs make up a large share of industrial costs.

Keeping the production of cement, steel, minerals, industrial gases, and beverages in California enables their manufacturing where the energy is cleaner.

If companies locate outside the state, jobs and tax base are lost and their product will have to be transported back into California adding further to emissions.