

Affordability Rulemaking, Phase 3 *En Banc*

Non-Ratepayer Sources of Funding

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CALIFORNIA LARGE ENERGY CONSUMERS ASSOCIATION (CLECA)

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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

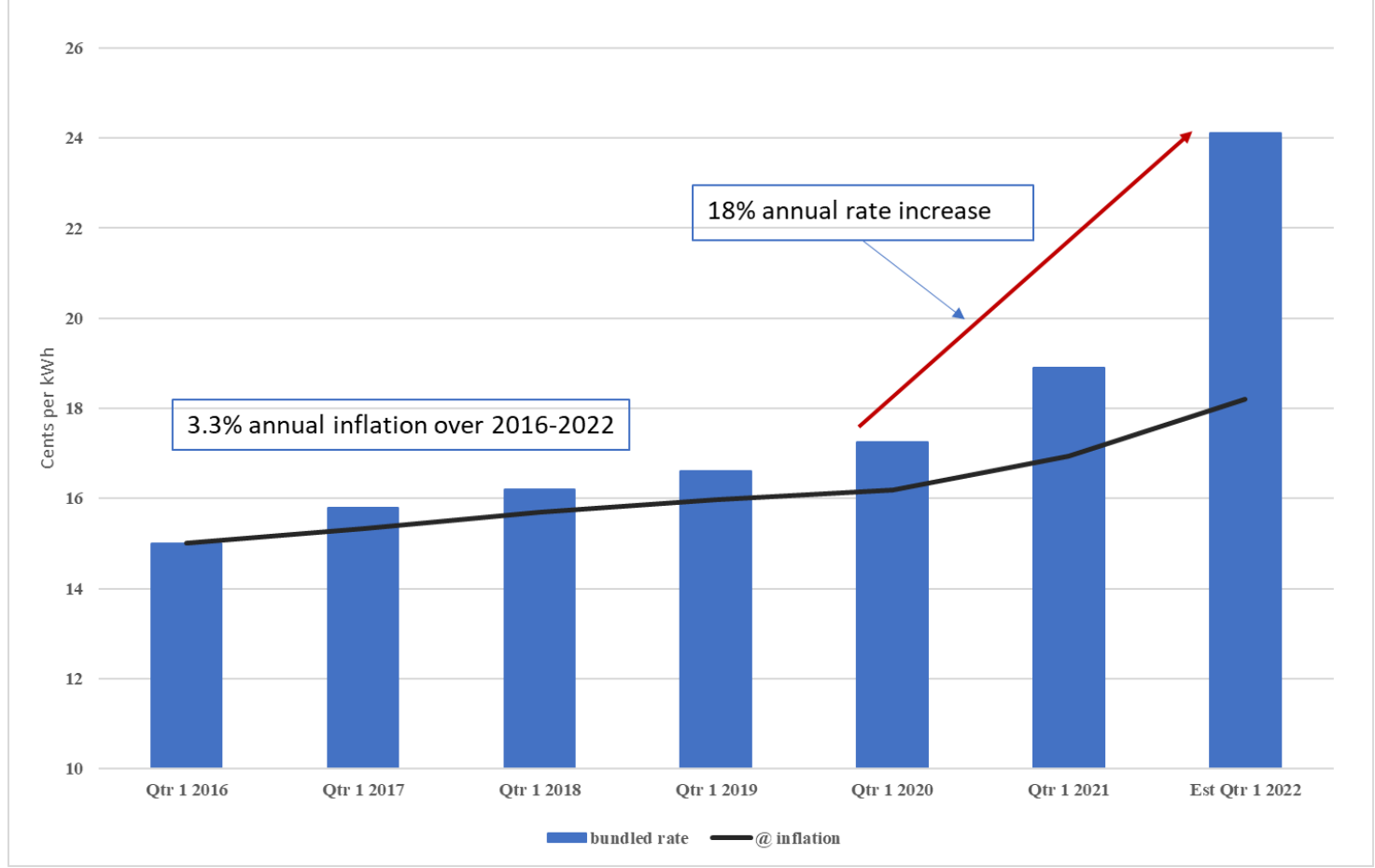
Are critical to keeping electricity rates affordable for all ratepayers

Are critical to the survival of manufacturing in California

Are reasonable since Californians will understand that:

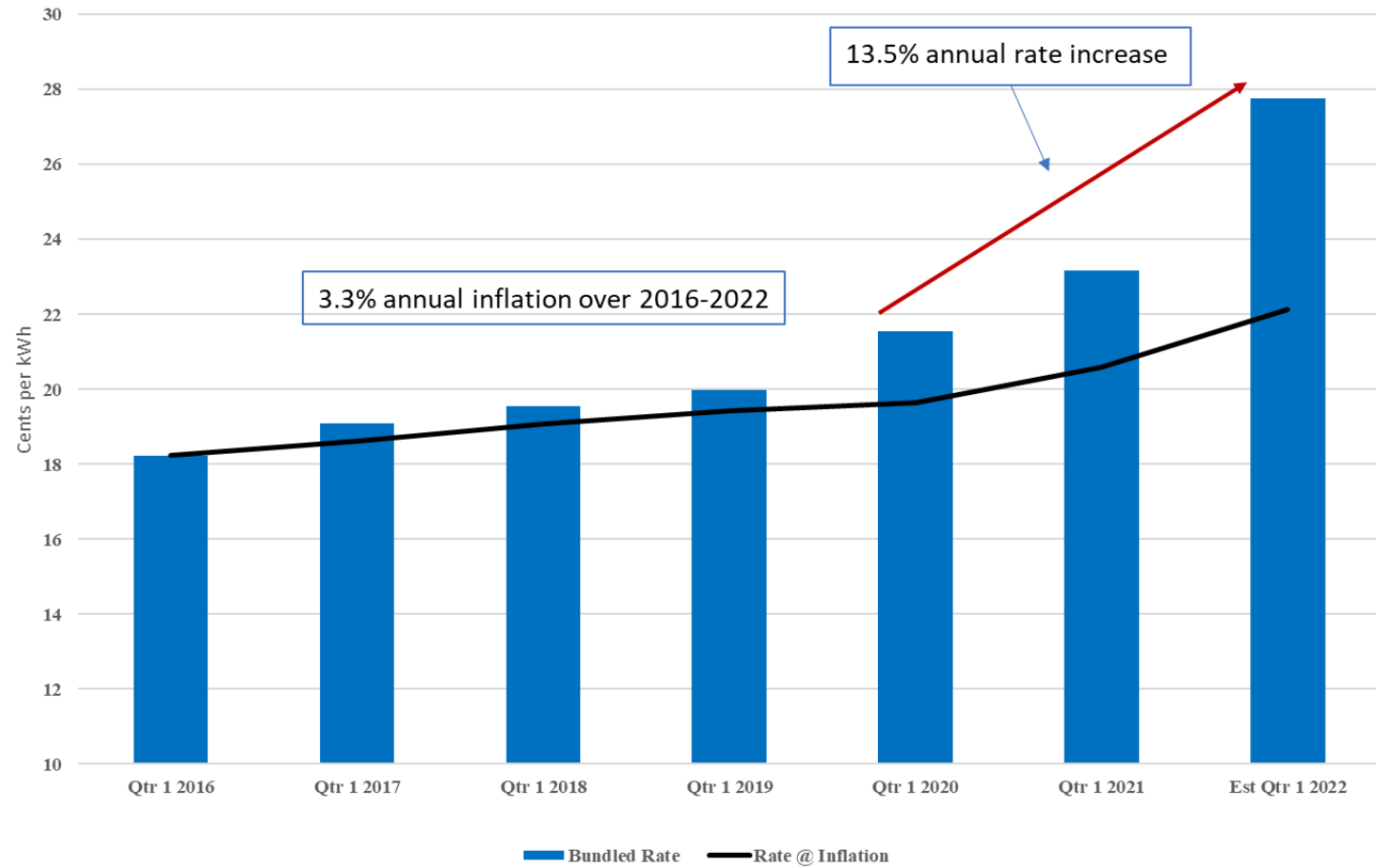
- Reducing emissions from transportation is a transportation issue not an electric utility issue
- Converting homes to electricity for heating, hot water heating, and cooking is a housing issue not an electric utility issue

Southern California Edison: Average Bundled Rates over Time



Electricity
Increases
Are
Accelerating

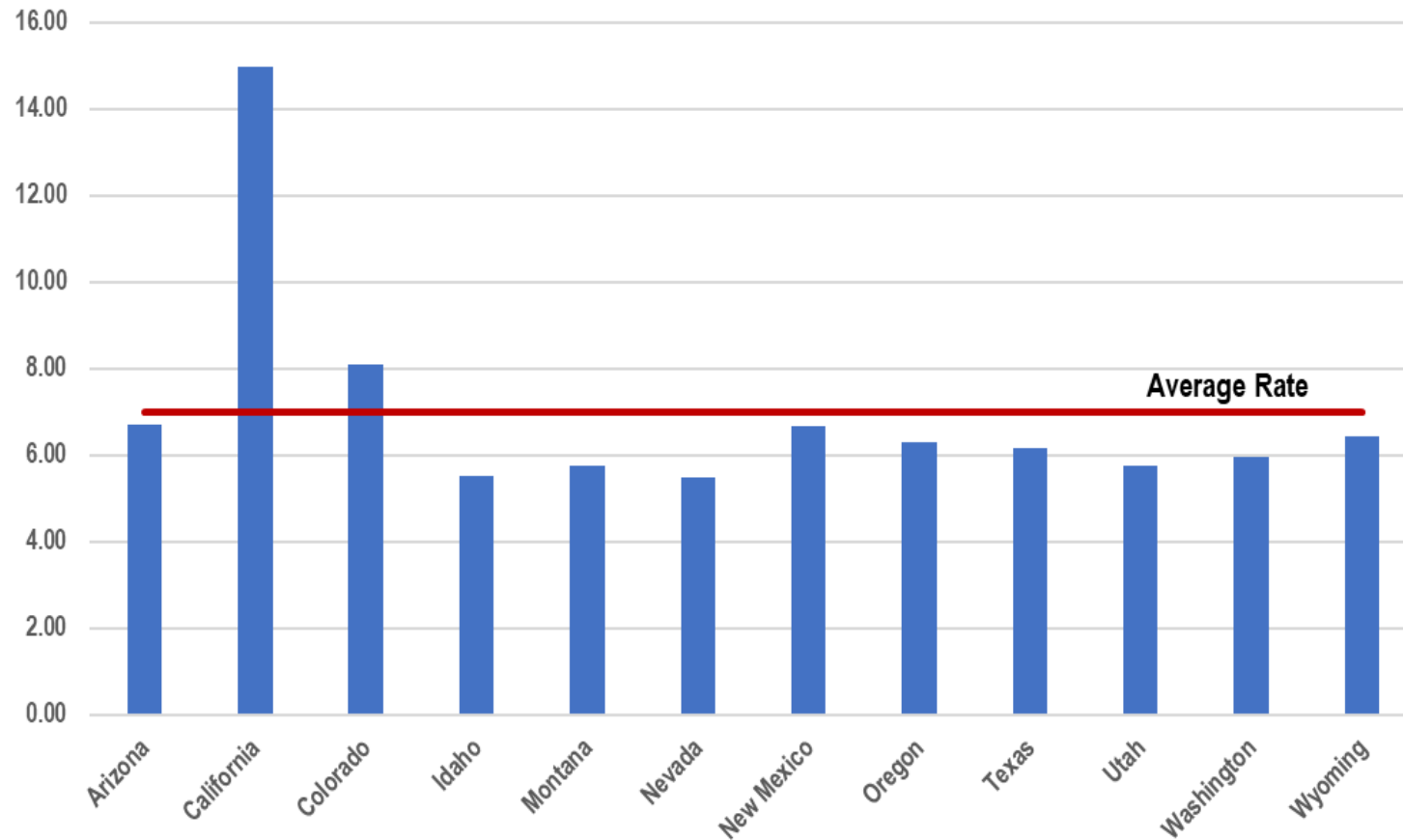
Pacific Gas & Electric: Average Bundled Rates over Time



Electricity
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Comparison of Industrial Rates (¢/kWh) for Western U.S.

EIA Power Monthly November 2021



Increased
Electricity
Prices
Worsen an
Already Bad
Situation

California Industry Has to Compete to Survive

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