



Industrial Energy Consumers of Pennsylvania

The Voice of Large Energy Consumers

General Principles Regarding Energy & Climate Policy

IECPA, as an association of energy-intensive and trade-exposed¹ industrial company's taking electric and natural gas service from a variety of regulated utilities and competitive providers in Pennsylvania, provides its general principles regarding energy & climate policy:

- For any new energy or climate policy, the following must be developed and considered:
 - a) Must obtain and fully consider testimony from PJM regarding how the policy would impact reliability and cost;
 - b) The Independent Fiscal Office (IFO) must provide revenue projections along with analysis of fiscal, economic and budgetary issues impacting the broader Commonwealth;
 - c) A specific economic analysis of the cost impact on businesses and economic development (e.g., cost impact on capitol complex could be modeled as a proxy);
 - d) An analysis of how the policy would increase or decrease the number of manufacturing jobs in the Commonwealth including migration of industry out of Pennsylvania.
- Twelve months' notice must be provided to PJM prior to the implementation of any energy or climate policy.
- Any energy or climate policy does not discourage the use of natural gas generation to increase the reliability of intermittent generation resources.
- Any energy or climate policy does not discourage an industrial customers ability to install and utilize combined heat and power (CHP).
- Given the higher efficiencies, include industrial combined heat and power (CHP) as a low carbon energy supply source to meet any clean energy standard.
- Any carbon cap and trade program or similar initiative must not increase the electricity costs to energy-intensive industrial companies.
- Industrial customers should have the option to participate in any energy efficiency program and associated charges.

¹ "Energy-intensive" means that because of the large amounts of energy consumed, small changes in energy rates translate into large changes in cost. "Trade-exposed" refers to the inability to pass cost increases on to customers without risking the loss of those customers to global competition.