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Sent: 10/3/2013 2:01:45 PM
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Subject: CPUC Approves Economic Development Rates for PG&E to Spur Job Growth in the State: CPUC Press Release

FOR IMMEDIATE RELEASE
PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov Docket #: A.12-03-001

CPUC APPROVES ECONOMIC DEVELOPMENT RATES FOR PG&E TO SPUR JOB GROWTH IN THE STATE

SAN FRANCISCO, Oct. 3, 2013 - The California Public Utilities Commission (CPUC) today authorized Pacific Gas and Electric Company (PG&E) to offer both a Standard and an Enhanced Economic Development Rate for non-residential customers, subject to certain ratepayer protections, in order to stimulate new or expanded employment opportunities in the state.

The Standard Economic Development Rate option provides a 12 percent discount off the otherwise applicable rate. PG&E's authority to offer new Standard Economic Development Rate 5-year contracts expires upon the CPUC's adoption of a decision in Phase II of PG&E's 2017 General Rate Case. The Standard Economic Development Rate discount of 12 percent will be reflected on the monthly electric bills of participating businesses.

The Enhanced Economic Development Rate option provides a 30 percent discount off the otherwise applicable rate. PG&E's authority to offer new Enhanced Economic Development Rate 5-year contracts expires upon the CPUC's adoption of a decision in Phase II of PG&E's 2017 General Rate Case.

The Enhanced Economic Development Rate will be available to businesses located, locating, or expanding in cities or counties in PG&E's service territory with annual unemployment rates of more than 125 percent of the previous year's statewide average. The implicit goal of tying the Enhanced Economic Development Rate to the unemployment rate is to help energy intensive businesses stimulate or retain jobs.

In order to be eligible for the Economic Development Rate a large commercial or industrial customer must have at least 200-kilowatts of new or existing load anywhere in PG&E's service territory. Customers retaining load must declare under penalty of perjury that but for the Economic Development Rate they would move their existing operations out of PG&E's service territory.

For both the Standard and the Enhanced Economic Development Rate, if PG&E would like to continue offering the options beyond the effective date of the Phase II 2017 General Rate Case, then PG&E should include a firm showing of programmatic positive contribution to margin and full payment of non-bypassable charges in its 2017 Phase II General Rate Case application.

Today's decision adopts ratepayer protection provisions that, among other things, guard against free-riders; require energy efficiency and other demand side management reduction targets; and establish reporting requirements relative to program costs, the numbers of jobs created or retained, and the wages and benefits paid to those workers.

Said Commissioner Mark J. Ferron, the lead Commissioner for this proceeding, "The Enhanced Economic Development Rate targets cities and counties in the state with very high unemployment rates in order to help attract and retain jobs where they are needed most. To help lower bills and further the state's environmental and policy goals, today's decision establishes a target of a 5 percent reduction of load over the life of the program."

Added CPUC President Michael R. Peevey, "Many cities in the Central Valley suffer from unemployment rates two or three times higher than the statewide unemployment rate of 9 percent. We have to do everything in our power to help the residents of these disadvantaged areas recover from the economic downturn. Reducing the electric rates for manufacturing facilities in these heavily impacted areas will make California more competitive with other states and contribute to bringing jobs to those who have been hit hardest by the recession."

"The Enhanced Economic Development Rate adopted today strikes a good balance between assisting areas of the state that need assistance and establishing consumer protections to ensure that this assistance is not provided to the detriment of other ratepayers," said Commissioner Catherine J.K. Sandoval. "In particular, I appreciate the tracking and reporting requirements included in the decision, which will help us evaluate the effectiveness of these rates in preserving and creating jobs where they are clearly needed. I expect this new program will expand job opportunities for Californians."

The proposal voted on today is available at http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K865/77865055.PDF.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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