



Manufacturing Matters

COMPETITIVE AND RELIABLE ELECTRICITY CRITICAL TO TEXAS JOBS AND OUR ECONOMY

TAM members are the state's largest consumers of electricity – many companies pay power bills in the millions of dollars per month.

TAM's advocacy work on electricity issues with the Legislature and at the Texas Public Utility Commission help ensure affordable power for all ratepayers.

The cost of energy and electricity plays a pivotal role in major capital investment location decisions. Major manufacturing plants must have affordable and reliable power to remain competitive.

TAM supports all market-based energy sources that provide reliable and competitively priced power. Both generation costs and transmission costs must be considered before an electricity source can be judged "competitive or affordable."

TAM opposes government mandates, subsidies or excessive tax incentives that favor one energy source over another. The free market is the best guard against uneconomic energy sources.

Manufacturers in Texas need utilities to be financially healthy in order to provide ongoing reliable and affordable electricity.

Likewise, rates must have reasonable oversight to ensure expenditures are prudent and just.

TAM is also working with the National Association of Manufacturers in opposition to the cost increases associated with EPA's Clean Power Plan. If this plan were to be approved, electricity costs are expected to

rise as high as \$15 billion annually in Texas by 2030, according to expert testimony delivered to the Texas Public Utility Commission.

The EPA's plan not only increases the cost of electricity, but also threatens reliability the Texas electrical grid by forcing retirement of significant power generation (mostly coal) across the state.

TAM is also closely monitoring state legislative proposals from Texas power generators and utilities that would seek state-approved rate increases for a broad range of "stranded

costs" created by EPA's Clean Power Plan. Such proposals may not be warranted and could drive electricity costs even higher, harming the Texas economy.

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