



Energy Costs Add to Cumulative Burden on California Businesses

CARE Coalition urges affordable energy to boost jobs and business investment

September 8, 2014, Sacramento, CA –California’s leaders need to ensure that the state’s energy policies balance the goals of stabilizing energy costs, ensuring adequate energy supply, protecting the environment and benefiting the state’s economy.

Today, USC Schwarzenegger Institute, the California Air Resources Board, and the R20 Regions of Climate Action will host a symposium on global climate negotiations, with special focus on California’s efforts to tackle climate change.

Californians for Affordable and Reliable Energy (CARE) encourages a strong debate about how to ensure future climate change policies are crafted in the most cost effective and competitive manner, particularly the disproportionate impact of rising energy costs on low-income and minority communities. Several recent reports document that energy costs have nearly doubled as a fraction of annual family budgets in the last decade, requiring lower and middle income families to spend more of their household incomes on energy costs.

Unfortunately, the ultimate price tag of energy cost increases from new laws and regulations is virtually unknown to residents and employers. The estimates and projections are constantly changing and a thorough economic analysis for climate change regulations has not been completed.

California businesses already pay 19% higher operating costs than the rest of the country due to energy, higher worker’s compensation, healthcare, and corporate income tax rates. Additional energy cost increases will only make the situation much worse. The state needs to complete a comprehensive analysis to better understand the costs associated with implementing these policies.

“The energy cost increases are on top of other costs that make it hard to grow high-wage manufacturing jobs in the golden state. That’s why policy-makers can’t view these increases in isolation and claim that fuel, natural gas or electric cost increases are easy to absorb,” said Dorothy Rothrock, Vice President Government Relations, California Manufacturers & Technology Association.

“CARE urges the state decision-makers to develop a comprehensive energy policy that complements our current climate policy,” said Rob Lapsley, president of the California Business Roundtable. “It is our belief that a comprehensive energy and climate policy approach will reduce energy costs for Californians and make our businesses more competitive in the region and the global marketplace while achieving our climate goals.”

Californians for Affordable & Reliable Energy is a non-partisan coalition advocating for a comprehensive state energy plan on fuels and electricity that prioritizes affordability, reliability and adequate supply. For more information please visit CAREaboutEnergy.org or connect with the coalition on twitter @CAREaboutEnergy.

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