



1050 Connecticut Avenue, NW, Suite 500 • Washington, D.C. 20036
Telephone (202) 223-1420 • www.ieca-us.org

May 26, 2026

The Honorable Brett Guthrie
Chairman, Committee on Energy and
Commerce
U.S. House of Representatives
2161 Rayburn House Office Building
Washington, DC 20515

The Honorable Robert Latta
Chairman, Subcommittee on Energy
U.S. House of Representatives
2470 Rayburn House Office Building
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member, Committee on Energy and
Commerce
U.S. House of Representatives
2107 Rayburn House Office Building
Washington, DC 20515

The Honorable Kathy Castor
Ranking Member, Subcommittee on Energy
U.S. House of Representatives
2188 Rayburn House Office Building
Washington, DC 20515

Re: Ratepayer Protection Act

Dear Chairmen Guthrie and Latta and Ranking Members Pallone and Castor:

We urge you to make critical changes to the proposed Ratepayer Protection Act to exempt manufacturing facilities from being adversely impacted by this legislation. The bill would amend the Public Utility Regulatory Policies Act (PURPA) and establish a federal standard relating to the recovery of the full incremental costs of upgrades that serve large-load customers. Without changes, manufacturing competitiveness will be directly impacted. We encourage you to revise the legislation so that it applies specifically to *facilities predominantly dedicated to computational load operations (e.g., data centers), rather than broadly to all large-load customers.*

The objective of the legislation is to address rapidly growing data centers and other large computational loads and to protect ratepayers from higher electricity bills. Manufacturers are not data centers, but we are large loads. The unintended consequences of the current definition of “large-load customer” are that our costs would substantially increase. Unlike data centers, manufacturers are highly price sensitive and compete in global commodity markets where energy is a significant input cost.

Manufacturing companies have historically invested their own capital to build and operate their own generation of power via Combined Heat and Power (CHP), Waste Heat to Power (WHP), or solar arrays. These resources have coexisted with the grid since the inception of PURPA – the very statute this Act proposes to amend, which has long supported such investments. These

investments reduce reliance on the grid and have helped avoid substantial costs to other ratepayers by reducing the need for utility-funded transmission and distribution upgrades.

Many of these companies have been generating their own power and steam since the late 1970s. According to the U.S. Energy Information Administration (EIA), there are over 900 CHP units across the U.S. with a rated capacity of about 60,000 MW.

These facilities operate day and night, 365 days per year without creating negative impacts to grid reliability. In fact, some provide valuable balancing benefits to the grid by producing less at night and buying power from the grid when demand from other sectors is low. This predictable behavior supports grid balancing and frequency stability through continuous operation that differs fundamentally from the volatility of data center loads. Importantly, some of these units have a history of being called upon to provide power or curtail load in times of system stress or shortages, thereby supporting grid reliability.

Imposing upfront financial assurances and restrictive incremental cost-recovery standards on manufacturing facilities will discourage or delay industrial expansions, penalize self-generation, and undermine the core tenets of PURPA.

We respectfully request that the legislation be revised to clarify that the requirements under Section 111(d)(22) apply specifically to large computational load customers, or otherwise exempt manufacturing facilities with on-site generation (e.g., CHP/WHP), to avoid unintended cost impacts on industrial consumers that have historically reduced system costs and supported grid reliability.

Thank you for your support of the manufacturing sector.

Sincerely,

Paul N. Cicio
President & CEO

cc: House Committee on Energy and Commerce

The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.3 trillion in annual sales, over 12,000 facilities nationwide, and with more than 1.9 million employees. One hundred percent of IECA members are manufacturing companies whose competitiveness is largely determined by the cost and reliability of natural gas and electricity. IECA's sole mission is to reduce and avoid energy costs and increase energy reliability through advocacy in Congress and regulatory agencies, such as the Federal Energy Regulatory Commission (FERC). IECA membership represents a diverse set of industries including chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, consumer goods, building products, automotive, independent oil refining, and cement.