Industrial Energy Consumers of America (IECA)
The Voice of the Industrial Energy Consumers

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June 23, 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: H.R. 9340, the "Ratepayer Protection Act"

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

On behalf of the U.S. manufacturing sector, we urge you to make critical changes to the Ratepayer Protection Act, a bill whose purpose is to protect ratepayers from costs incurred by data centers. Instead, the definition of large loads captures the manufacturing sector which adds tremendous regulatory and cost uncertainty for both new and existing facilities and inter-industry competitiveness. We urge you to use the below definition which is based upon the North American Electric Reliability Corporation (NERC) definition for data centers.

> LARGE COMPUTATIONAL LOAD CUSTOMER DEFINED.— In this paragraph, the term '*large computational load customer'* means a non-residential electric consumer that, on or after the date of the enactment of this paragraph, requests to enter into, or enters into, a contract or other agreement pertaining to the sale of electric energy for one or more facilities that have, in the aggregate, a peak electric demand of 100 megawatts or more at a single site or campus. *A large computational load customer's*

electric power demand primarily comes from information technology equipment, such as servers, storage, and networking hardware. [1]

Reasons to exempt manufacturing:

- China will not impose data center driven electricity costs on their manufacturing companies, thereby impacting our relative competitiveness.
- It creates competitive distortions within manufacturing. For example, a steel company that consumes 100 MWs of power could be at a cost disadvantage to steel manufacturers who consume 25 MWs, etc. This example also applies to aluminum, chemical, plastics and paper industries.
- We are not data centers and do not operate like them.
- We are not causing the problem. Our electricity demand is flat. Manufacturing electricity demand increased by only 0.0067 percent per year over the last ten years.[2] Because we are price sensitive, we earnestly drive down electricity consumption and improve energy efficiency.
- Manufacturing actually reduces costs to other ratepayers. When there is peak demand periods we implement demand response to reduce our consumption. This results in lower prices to other ratepayers.
- Manufacturing often invests its own capital to generate power via combined heat and power, heat to power, wind, solar, and batteries. By doing so, it avoids the need for the utility to build generation, thereby reducing costs to other ratepayers.
- Many manufacturing 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.
- There is not a single example nationwide that a manufacturing facility has caused a grid reliability problem.

Impact of the legislation:

- It creates regulatory and cost uncertainty for new and existing investment.
- There are no guardrails as to what and how much the electric utility could charge us.

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[1] North American Electric Reliability Corporation, Guidance, computational-load-entity-summary-of-changes-april-2026-posting.pdf

[2] Manufacturing Electricity Demand is Flat, June 23, 2026, https://www.ieca-us.org/wp-content/uploads/Manufacturing-Electricity-Demand_06.18.26.pdf

- We have existing contracts with utilities. When those contracts expire, we have no leverage to negotiate new fair contracts.
- It decreases the incentive for manufacturing companies to expand operations that would increase their power consumption to 100 MW or more. This is inconsistent with economic growth and our nation's priority to reshore production and jobs.

The manufacturing sector employs 12.6 million people and contributes 10 percent of U.S. GDP. We are the supply chain for the entire U.S. economy and to data centers. We support the build-out of this critical industry. The legislation unnecessarily injects uncertainties that should be avoided. We look forward to working with you.

Sincerely,

Paul N. Cicio
Paul N. Cicio
President & CEO

cc: House Committee on Energy and Commerce
FERC Commissioners

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.