



NO on Proposition 7

Prop. 7 Will Bring Higher Electric Bills and Disrupt Renewable Power Development

An unprecedented and diverse coalition of solar, wind and renewable energy companies, consumer, taxpayer, senior, labor, small businesses, local governments and environmental organizations all oppose Proposition 7 on the November ballot. Prop. 7 was placed on the ballot by an Arizona billionaire with no expertise in renewable power issues. The measure purports to increase the percent of renewable power utilities must purchase. However, it is so poorly drafted that renewable energy and environmental experts warn Prop. 7 will not achieve its goals and, instead, will actually “slam the brakes” on renewable energy development in California, result in significant increases in our electric bills and could result in another energy crisis. Prop. 7 will:

- **Force small wind and solar companies out of the market.** Prop. 7 contains a “competition elimination” provision that forces smaller renewable energy companies out of California’s market. It excludes power from renewable plants smaller than 30 megawatts from counting toward the new requirements. Today, nearly 60% of contracts under California’s renewable requirements are with these small providers. The California Solar Energy Industries Association warns: *“Proposition 7 would devastate California’s small solar businesses by forcing us out of the market – eliminating a major source of clean power and thousands of jobs.”*
- **Allow energy prices to be continually locked in at 10% above market rates.** Prop. 7 allows renewable power providers to always charge 10% above the market price of power, stifling competition for renewable power, and artificially increasing the cost. In addition, nothing in the text of Prop. 7 limits increases in our electric bills to 3% like proponents claim. Even the non-partisan Legislative Analyst warns that *“the measure includes no specific provisions to implement or enforce this declaration”*.
- **Cost consumers and taxpayers hundreds of millions.** By eliminating competition from smaller renewable providers and creating a seller’s market that allows prices to be set at 10% above market, Prop. 7 will increase costs to electricity consumers and taxpayers by hundreds of millions of dollars. Economists predict that the average California household will see its utility bill increase by more than \$300 dollars a year. Furthermore, the non-partisan Legislative Analyst cautions that, *“...the prospects for higher electricity rates are more likely in the short term...”* and the initiative might *“...also lead to higher long-run electricity rates.”*
- **Slam the brakes on renewable energy development.** Prop. 7 locks into law many flaws that are currently stifling renewable power development in California and creates new roadblocks to renewable development. For instance, Prop. 7 arbitrarily shifts authority over the renewables market from the California Public Utilities Commission to the California Energy Commission, which could lead to significant delays, added bureaucracy and costly lawsuits. That’s why leading environmental groups and renewable power companies all OPPOSE Prop. 7.

California Needs More Renewable Energy, NOT Higher Bills & Another Energy Crisis.

California leads the nation with tough, clean energy standards that require utilities to use significantly more renewable power. Prop. 7 will jeopardize this progress and disrupt renewable power development. What’s worse, if passed by voters, no changes can be made to this law without another vote of the people or 2/3 of the legislature. Further, Prop. 7 creates new market conditions ripe for manipulation, much like those that caused the last energy crisis. Electricity consumers are still paying almost \$1 billion each year – nearly \$100 for every electricity customer – to pay off the last energy crisis. The last thing we need is a poorly written measure that will lead to higher electric bills and possibly even another energy crisis.