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## NO on Proposition 7

### Measure Bad for California Taxpayers and Consumers

Proposition 7 is opposed by the California Taxpayers' Association, California Small Business Association, the Consumers Coalition of California and consumer and taxpayer groups throughout the state because it will lead to increased taxpayer costs and significantly higher electric bills. Prop. 7 is also opposed by renewable power companies and environmental organizations who warn the measure is "fatally flawed" and will actually "slam the brakes" on renewable energy development in California. Prop. 7 was placed on the November ballot by an Arizona billionaire with no expertise in renewable power issues. Taxpayers and consumers oppose Prop. 7 because it will:

- **Lead to higher electric bills for consumers - a \$300 increase per household per year.** Prop. 7 contains a provision that artificially increases the cost of power and virtually guarantees that electricity consumers will pay 10% above market rates for renewable power forever -- even when the costs of solar and wind sources become more competitive. In fact, 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*". In addition, nothing in the text of Prop. 7 limits increases in our electric bills to 3% like proponents claim. Even the Legislative Analyst warns that "*the measure includes no specific provisions to implement or enforce this declaration.*"
- **Increase costs for taxpayers by hundreds of millions of dollars annually.** It's estimated that Prop. 7 will increase electricity costs for state and local governments -- one of the largest consumers of electricity in the state -- by a combined \$874 million annually by 2025. These costs will ultimately be borne by taxpayers. In addition, the measure adds new layers of bureaucracy and red tape by shifting responsibilities from one state agency to another -- at a cost of \$3.4 million per year to taxpayers, according to the independent Legislative Analyst.
- **Add new bureaucracy and red tape.** The initiative shifts a number of key responsibilities from the California Public Utilities Commission (CPUC) to the California Energy Commission (CEC) and creates duplicative responsibilities between the two agencies. Prop. 7 will give broad authority to the CEC for transmission, market price setting, and enforcing new rules surrounding renewable development but the CEC is currently not equipped or staffed to handle these broad responsibilities. The impact of these changes will be a massive delay in renewable development, particularly the transmission line development that's needed, and unnecessary increases in costs to taxpayers.
- **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. That's why 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.*"

#### 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.

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a coalition of environmentalists, renewable energy companies, taxpayers, and labor  
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