



## NO on Proposition 7 Measure Bad for our Public Schools

Proposition 7 is opposed by a diverse coalition of solar, wind and renewable energy companies, consumer, taxpayer, senior, labor, small businesses, local governments and environmental organizations because it is fatally flawed, will slam the brakes on renewable energy development in California and lead to a significant increase in electric bills. Higher electric rates are of particular concern for California's K-12 public schools, UC, CSU, and Community Colleges who are large consumers of power. Prop. 7 was placed on the November ballot by an Arizona billionaire with no expertise in renewable power issues. The education community opposes Prop. 7 because it will:

- **Increase electricity costs for K-12 schools and UC, CSU and Community Colleges.** 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. The cost of energy is one of the largest expenses for schools and Prop. 7 will significantly increase electricity costs, making less money available for investment in teachers, books and technology. Economists estimate that by 2025, Prop. 7 will increase electric bills for K-12 school districts by \$233.3 million annually, and by \$126 million annually for higher education facilities. 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." And, contrary to proponents' false claims, nothing in the text of Prop. 7 limits increases in electric bills. The Legislative Analyst states unequivocally that "*the measure includes no specific provisions to implement or enforce this declaration.*"
- **Drain state revenues and, as a result, reduce revenues available for K-12 public schools.** Economists predict that Prop. 7's higher electric rates will lead to reduced economic output and tax revenues which, in turn, will reduce state revenues to the tune of \$285.6 million annually by the year 2025. Since as much as 40% or more of state general fund revenues go to K-12 schools, this means public schools could lose tens of millions of dollars each year due to Prop. 7's negative impacts on our economy and state revenues.
- **Slam the brakes on renewable energy development.** Environmental leaders warn Prop. 7 will not achieve its goals and, instead, will actually lead to less, not more, renewable power. That's because Prop. 7 locks into law many flaws that are currently stifling renewable power development and creates new roadblocks to renewable development. For instance, 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.

### 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.