



*Renewable Energy  
Campaign Proposal*



**You have the P.O.W.E.R.!**

---



*By Stop The Violence Increase  
The Peace Foundation*



Cover Sheet #1

## Market Need

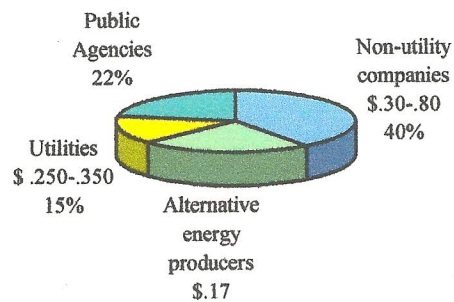
### *California State Energy Crisis*

In 1996, the state legislator approved electricity deregulation with a unanimous vote. Deregulation was expected to lower power bills in California by opening up the energy market to competition. However, there were only a few companies that entered the market to sell electricity. Demand increased in the recent years while no power plants were built. These two factors contributed to the cost of wholesale cost of electricity in California (L.A. Times, 2001).

Although Pacific Gas & Electric, Southern California, and San Diego & Electric were paying more for generating electricity, deregulation policies barred them from increasing consumer rates. As a result, the utilities accumulated billions of dollars in debt and have struggled to buy enough electricity. Conventional power plants – hydroelectric, natural gas, nuclear, and coal burning generate most of California's electricity are currently not meeting the states electricity demand (L.A. Times, January 2001) (See Figure 1).

**Figure 1**

#### *Sources of Power Used by the State*



Source: California Energy Commission and Times Staff Reports, 2001

Rising peak demand for electricity, results in higher and more volatile electricity prices, and increases the potential for costly interruptions in service (California Energy Commission, 2001). By 2010, peak electricity demand in California is expected to grow by 18 percent. High peak demand could prove to be serious and enduring threat to the state economy. Transmission and distribution system throughput approaches maximum capacity during peak demand periods, threatening reliability and power quality (California Energy Commission, 2001). The failure in recent years to expand transmission and distribution systems has results in serious congestion problems. System reliability is further strained by the current system of market transactions among generators, operators, utilities, and customers. These factors have contributed to the dramatic increase in power emergencies in the past year (California Energy Commission, 2001) (See, Figure 2).

