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General Meeting

Public Education in California An Education Update Study

Speaker Joanne Leavitt,
LWVS Education Study Chair
Come to hear about the results of the study and prepare for answering the consensus questions.

Monday, November 8

7:00 to 9:00

SMUD Building, 6201 S Street

Note the schedule change.

Government Review Process Begins

From LWVC



The opening round of Governor Schwarzenegger's push to "fix" California government got underway with release of the California Performance Review (CPR), a massive report containing more than a thousand recommendations. They range from minor items such as making the state's Web site more user-friendly to a major reorganization of state departments and programs into 11 "mega-agencies."

A commission appointed by the governor has held seven hearings to receive public comment on the report, the last one on September 27. The hearings have been crowded and often contentious, with much of the criticism aimed not only at the proposals but also at the process. Critics noted that the hearings began almost immediately after release of the report and were held over about a six week period, allowing little time for study and comment on the proposals.

The CPR's aim is to make government more efficient and effective, with a heavy emphasis on reducing costs and maximizing revenues without raising taxes. The Legislative Analyst's Office (LAO) says, however, that even if the recommendations were implemented, they would not come close to solving the state's structural deficit, and that the state would "continue to face hard choices regarding program funding levels and taxes in order to balance its future budgets."

Part of the problem is that the report appears to have grossly overestimated savings and revenues and underestimated implementation costs. The CPR claims its proposals would produce savings of \$1 billion in 2004-05 and \$32 billion over the next five years, but the LAO says a "more realistic" assumption would be less than half that. For example, the CPR expects an added \$8.2 billion in federal grants for state programs despite the fact that Washington is drowning in red ink itself and has shown no sign that it would rework federal funding formulas in California's favor.

The CPR projects \$2.7 billion in savings attributed to a proposal to delay enrollment of children in kindergarten by a few months, mainly by reducing the Proposition 98 minimum funding guarantee. This not only represents a policy decision that may be unpopular, but the savings could be whittled down by implementation costs, such as funding for more child care slots.

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Government Review Process Begins

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Although the report calls for adopting principles intended to improve the relationship between the state and local governments, some proposals not only run contrary to that goal, but appear to conflict with both present law and Proposition 1A on the November ballot, which is supported by the governor.

These include shifting property taxes from some special districts to benefit the state and shifting responsibility for some state highways to local governments without an accompanying source of revenue. This would appear to conflict even with present law on reimbursement for state mandates, let alone the stricter requirements of Prop 1A.

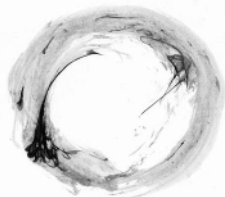
The report also calls for vehicle owners to register their vehicles every two years, instead of each year, and calculates that implementing the change over two years would produce a one-time Vehicle License Fee (VLF) "windfall" to the state of about \$1.3 billion because half the car owners would be paying two year's worth of fees in the first year.

This would, however, require a constitutional change, since VLF revenues are guaranteed to be distributed to local government, and would also probably run afoul of Prop 1A.

There are, of course, a number of proposals that are not controversial and might be adopted quickly and others that at least deserve serious consideration.

Still others, such as the "mega-agencies reorganization" and the elimination of numerous boards and commissions, raise questions beyond the scope of State and Local Finances, but must be addressed.

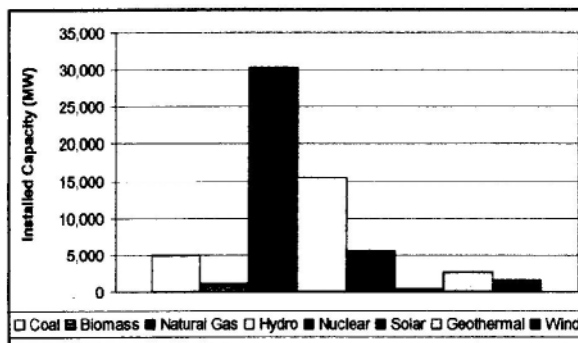
Many organizations, including the League, have questioned whether there has been time even for organizations, let alone the general public, to learn about the proposals and comment intelligently on them. We will advocate for a process adequate to address the issues and will be submitting comments to the commission and passing along information to you as the process goes forward.



A World of Its Own: California Electric Utility Regulation

Fourth in a series of informative articles for an update of the LWVC Energy Position

The electricity needs of California are currently met by a mix of about 56,000 MW of in-state capacity and more than 6,200 MW of capacity in nearby states. The latter is largely coal-fired; in-state capacity is diverse, but more than half is natural-gas-fired. And most of the natural gas capacity is owned by independent "merchant Generators," not regulated by the California Public Utility Commission. The deregulation legislation of 1996 required utilities to sell much of their generation, so they now own only 42 percent of total capacity.



Capacity by Fuel / Technology Type

As a result of the financial problems faced by the investor-owned utilities in 2000 and 2001, the California Department of Water Resources (DWR), negotiated long-term contracts with the merchant generators. During the crisis many of these merchant generators had sold into the wholesale spot market at exorbitant prices; the prices negotiated by DWR are not exorbitant but they are high, and most contracts run until 2010. Utility customers are paying these costs. Most of the natural gas-fired generation that has come on line in the last several years is being sold into the spot market. The price of power from these plants largely reflects the current market rate. Since these plants are fueled by natural gas, they are affected by natural gas market conditions. Natural gas prices, notably volatile during 2003, have become more stable since, but are notably higher averaging more than \$6 Mmcf.

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The Energy Commission attributes the stabilization of spot market prices since 2001 to three factors:

- Energy-efficiency measures by consumers.
- Addition of 9,400 MW of new capacity, along with an economic downturn.
- Dramatic reductions in the amounts of energy purchased on the spot market.

The future is not bright, however. With the economic recovery now under way, demand is now growing faster than supply. Although six large merchant plants with almost 4,000 MW of capacity have construction permits, none are expected on line before 2006. In addition, drought throughout the West has reduced the amount of hydro power that can be imported. Recognizing the need to plan for peak power demands, the CPUC has set a 13 percent reserve capacity requirement. Assuming a 1.5 percent annual increase in peak demand, (it's currently 3.3 percent in Southern California) capacity requirements in 2030 will amount to 92,000 MW. (Currently 62,000 MW)

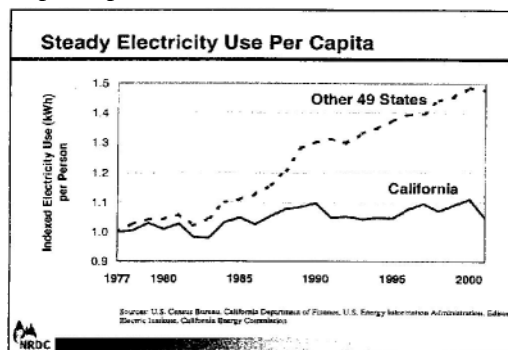
More than 40 percent of the natural gas-fired generation in the state was built in the '50s and '60s. These plants are as much as 50 percent less efficient than the new plants, and over the coming decade many of them will be retired or rebuilt; approximately 3,000 MW of capacity was retired just in the past three years. But some of these plants are strategically located near the demand load, and because of increasing congestion of the transmission system, they receive a pricing bonus associated with "reliability-must-run" (RMR) contracts. In-state gas production presently meets only 15 percent of California's needs. Out-of-state supplies are adequate throughout this year, but, with growing reliance on Natural gas to generate electricity, concerns about the integration of the electricity and natural gas markets continue to mount. Merchant generators, unlike regulated utilities, are not obligated to serve electricity customers; if it is more profitable they may sell their natural gas into the gas markets, rather than use it to generate electricity. In any case, short-term supply shocks will lead to increases in spot market electric prices. Demand-side management and increased use of renewable resources are the near-term options to dependency on natural gas.

Renewable resources include geothermal, biomass, small hydro, wind and solar. During 2002, the legislature passed SB 1078 which requires the investor-

owned utilities to increase investment in renewable energy one percent annually until each utility provides 20 percent of its energy from renewables. Southern California Edison is already meeting this requirement for 2004. PG&E currently is at about 14 percent and San Diego Gas and Electric less than 4 percent. In mid-2004 4,400 MW of renewable capacity was on line. almost 14,000 MW more will be required by 2030. Because of ecology concerns it is unlikely that more small hydro will be developed. Geothermal and wind resources are considered abundant, but are located at considerable distances from load centers. Wind and solar are intermittent, estimated to be available about 25 percent of the time (often but not always near times of peak demand).

Governor Schwarzenegger's has enthusiastically called for more investment in solar rooftops. Certainly photovoltaic panels can benefit local homeowners in many parts of the state. However, an average residential roof can only accommodate 2kW of panels (less than half of the power needed at peak power periods). About 125,000 new homes are built in California each year, and solar rooftop systems on 15 percent of these would provide 35 to 40 MW of new capacity. Solar panels can be considered a contribution to peaking power capacity, rather than baseload, as it will be available during daylight, when air-conditioners are generally in use.

Both the Energy Commission and the CPUC have made energy efficiency their top priority: The goal is to reduce energy use and decrease peak power demands. For nearly a decade, utility customers have paid on their monthly bills a "public goods charge," and one of the benefits of those monies has been investments in energy efficiency retrofits. The result has been dramatic: Energy use in California is about *half* of per capita use for the nation as a whole.



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A World of Its Own: California Electric Utility Regulation

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This past year, the three major utilities have been allowed to include energy efficiency investments in their capacity procurement planning. It should be noted, however, that investments in energy efficiency—beneficial in terms of diminishing resources and air pollution—often do not reduce *peak* power demands.

Reductions in peak demands come about largely because of customer response to a definite signal. One such signal may be a radio or television announcement that electricity demands are getting close to capacity, and asking customers to cut back on power use. Some customers, usually larger ones, also negotiate “interruptible” contracts with their utilities: In return for favorable prices most of the time, they agree to have their service cut back when reserve margins shrink to a particular point. The present interruptible load is just short of 1,500 MW.

Dynamic pricing is a technique that could allow the state not to invest in 2,000 MW of new capacity over the next 25 years. The League has already had opportunities to speak on behalf of this vision. During the past several years, California has paid to install 22,000 real-time pricing meters at commercial and industrial sites. These meters show customers at 15-minute intervals the actual cost of power so they may plan their use. The costs currently range from 5 cents per kWh at 2 a.m. to 33 cents per kWh at 4 p.m. on a hot summer day. It is likely that dynamic pricing will become a reality for residential customers before the end of the decade. Each special meter is estimated to cost a little more than \$100.

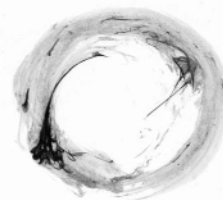
A growing trend is the use of distributed generation (DG). This refers to small, localized generation systems, close to the load that they serve. DG enthusiasts point to the avoidance of dependence on the transmission system and the economic opportunities that may be available for facilities to generate their own power apart from the utility grid—especially if they can sell any excess power back to the utility. DG is proving to make good economic sense for facilities that can use solar, wind or biogas. It is not succeeding for those sites that would use natural gas-fired turbines for power generation, because of local air emission requirements.

A major consideration still to be clearly addressed involves issues of direct access and “departing load.” The deregulation legislation of 1996 allowed utility

customers to leave their utility and contract directly with merchant generators for power. A significant number of industrial and large commercial customers did just that at a time when wholesale energy prices looked attractive. But in 2000-2001, when wholesale power prices sky-rocketed, these same customers sought to return to service with the utilities to obtain power at the regulated retail rates. The direct access policy presents a dilemma for utilities, as they likely will have to serve as the default provider if a merchant generator fails.

Late in 2001 the CPUC ruled against any further direct access contracts. About 14 percent of total customer load remained with the merchant generators, and when it became clear that these customers were not sharing in the high-cost, state-negotiated DWR contracts, the CPUC instituted a 2.7¢ per kWh charge on direct access power.

The California electricity system should be flexible enough to take advantage of new technologies and energy sources, and yet be stringent enough to provide economical, reliable service. Integration of the electricity system requires some control over the mix of sources: with the ability to plant for adequate capacity, to promote the use of renewable sources of electricity, and to provide incentives for efficiency and conservation.



Notices:

We're Updating Our Roster

Please tell us of any changes in your:

- Address
- Phone number (home or work)
- Email address.

Call the LWVS office at 447-VOTE (8683) or lwvs@lwvsacramento.org.

The Best Sacramento Has to Offer

LWVC is seeking auction items for “Democracy Dinner” that will occur in Spring 2005. We are asking our members to come up with an item that shows off something special or unique about Sacramento. We are looking for large items like a weekend getaway, a day at a spa, or dinner for four. What can Sacramento offer? Any ideas? Please call the office 447-VOTE with your suggestions and any offers donation.

Online Alert: SMART VOTER

Thanks to all the volunteers who help make Smart Voter possible. It is an invaluable tool for getting hard-to-find information about local candidates, as well as about all election choices in your area. Many thanks to Donna Chipps for spearheading this effort. If you would like to be a future volunteer, contact Donna Chipps at sv@lwvsacramento.org or call LWVS office (447-8683).

Web Aids For Registration & Turnout

These web sites offer novel ways of reaching out to voters to help increase registration and voter turnout. National and local leagues are involved in all of these efforts.:

smackdownyourvote.com

smartwomenvote.com

www.rockthevote.org

Other Websites of Interest

Smart Voter—www.smartvoter.org

CA Budget Project—www.cbp.org

Secretary of State—www.ss.ca.gov

CA Senate—www.senate.ca.gov

CA Assembly—www.assembly.ca.gov

CA Legislative Analyst—www.lao.ca.gov

US legislation—thomas.loc.org



The League of Women Voters and Candidate Debates: A Changing Relationship

After a sixteen year period in which there were no public presidential debates, the League of Women Voters Education Fund (LWVEF) sponsored three presidential debates in 1976. These debates between Jimmy Carter (D), former governor of Georgia and Gerald Ford (R), President of the United States, were the first to be held since 1960. In 1976 the League also sponsored one vice presidential debate between Senator Walter Mondale (D-MN) and Senator Bob Dole (R-KS).

The League continued to sponsor the presidential and vice presidential debates every four years through the 1984 elections. Following that election cycle, the Democratic and Republican national parties came together in a decision to move sponsorship of the debates under the purview of the parties.

Between 1985 and 1987 the League challenged this move and sparked widespread public debate on the matter. The LWVEF argued that a change in sponsorship that put control of the debate format in the hands of the two dominant parties would deprive voters of one of the only chances they have to see the candidates outside of their controlled campaign environment.

In 1987 the parties announced the creation of the Commission on Presidential Debates. The commission chose LWVEF to sponsor the last presidential debate of 1988, but placed so many rules and restrictions on the possible format of the debate that the LWVEF was finally unable to agree to participate. In a press release at the time, Nancy Neuman, then LWVUS President, stated that the League had “no intention of becoming an accessory to the hoodwinking of the American public.”

The nonprofit Commission on Presidential Debates sponsored all the presidential debates in 1988, 1992, 1996 and 2000. They will be sponsoring the presidential and vice presidential debates for the 2004 election as well.

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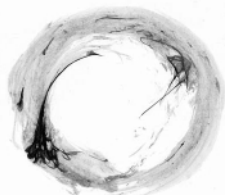
The League of Women Voters and Candidate Debates: A Changing Relationship

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However, the League continues to sponsor an online Presidential debate through our online election program, DemocracyNet (www.dnet.org). DNet provides voters the opportunity to read candidate statements on a range of issues, and provides the candidates themselves with the opportunity to respond to one another's policy stands. DNet not only provides information on the presidential candidates, but also on all candidates running for U.S. Senate, U.S. House, gubernatorial offices, and state legislative offices.

State and local Leagues across the country continue to host debates for candidates running at all levels of government, from U.S. House of Representatives and Senate to statewide offices, to city government and everything in between. The grassroots nature of the League enables us to engage communities in the process by hosting debates and other election activities.

Hosting a debate watching party is one more way that the League can continue to be a catalyst for engaging communities in the election process. Regardless of who is hosting a debate, these offer one of the only opportunities for many voters to see a candidate in action for more time than a sound bite. Use these appearances to look critically at the candidates and to listen to their opinions, as they themselves put their thoughts and proposals into words.



Topics for the 2004-05 League Year

This year's topics for discussion cover both statewide and local issues. The following are the topics for discussion:

- October-Pros & Cons of the Ballot Propositions
- November-LWVC Education Study
- January-"California Voices"
- February-Public Financing of Arenas
- March-Issues of Aging
- April-Energy Regulation

The topics included in this list are to be covered through a combination of general meetings and unit meetings. In particular, the Pros & Cons and the Education Study will be dealt with in unit meetings. A General Meeting (November 8) will also be held on the Education Study.

The January issue will be covered in a general meeting. "California Voices" is the result of a joint LWVC and California Public Libraries project in which students and other people who vote in low numbers engaged in conversations with state officials. We'll get to see some of those conversations and learn what's on the minds of these potential voters.

Please keep in mind that this list is subject to change if political circumstances change and an issue becomes irrelevant or if an unforeseen issue becomes "hot" and more compelling than those announced here. One such issue may be the February topic, public financing for arenas. If there is no special election in March on the issue, a different topic might be introduced.

Watch the Voter for more details on all these topics. If there are other issues or topics that you would like to see addressed in the future please contact Carol Moon Goldberg at the League office.

President's Column: Debates, Choices, and Thanks

By Suzanne Phinney

In the past month or so, the airwaves have been full of candidate debates at all levels of government. Certainly, the Presidential and Vice-Presidential debates deservedly received much attention. Over 60 million television viewers watched the first Presidential debate, so maybe apathy is not totally rampant.

The Commission on Presidential Debates reported that viewers felt that Iraq and the war on terror was the most important issue (44%) addressed in the debate. Nuclear proliferation was second (17%); North Korea was third (13%); and homeland security was the fourth most important issue (9%) addressed during the debate.

The League of Women Voters once played a prominent role in Presidential debates (see related story on the history of Presidential debates). The League of Women Voters of Sacramento County, thankfully, still does have a role in candidate debates.

Just before the Presidential debate, Sacramento County candidates had a chance to debate the issues, at the League and Metro Cable Television sponsored forums on September 25. Metro Cable 14 rebroadcast the forums for six consecutive Sundays following the forums. We hope you had a chance to view the candidates in action. The turnout and viewer ship were significantly smaller than for the national debates, but that does not reflect the importance of these local races.

Local candidates make great sacrifices to run for public office. They basically give up their lives for three to six months to walk neighborhoods, appear at local events, and participate in multiple forums, including those arranged by the League. It's grueling and relatively thankless, unless you happen to win. But having multiple candidates is the heart of democracy and we cannot thank these committed individuals enough.

We can begin to start, however, by tipping our hats to them at the League's "Hats Off to Democracy" party on November 15 at Barton's Gallery in Sacramento (see related article). We want the candidates to know how much we appreciate their efforts and we want them to run again, if they did not succeed this time around. I know how it feels to lose a local race after you have put your heart and soul into the campaign.

Let's make a real effort to attend our November 15th party and cheer on both the winners and the losers. They were all successful in giving us voter choices - something that is not readily available throughout much of the world.



Lucy Stone "American reformer, who was a pioneer in the movement for women's rights. She was born near West Brookfield, Mass., on Aug. 13, 1818. Disagreeing with her father's belief that men should be dominant over women, Lucy undertook to educate herself and was graduated from Oberlin College in 1847.

SMUD Roundtable Meeting

October 15, 2004 By Rick Bettis

Recently Genevieve Shiroma, member of the Sacramento Municipal Utility District Board of Directors held a "Roundtable" meeting with community leaders to give an update on the current status and future plans of Sacramento's electrical energy utility district. This article summarizes that meeting and has been supplemented with information from the SMUD web site www.smud.org.

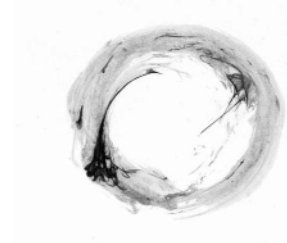
Significant SMUD activities include:

Good progress is being made on the construction of the natural gas driven Cosumnes Power Plant located at the site of shutdown Rancho Seco Nuclear Power Plant near Clay Station approximately 30 miles southeast of downtown Sacramento. The first phase of the plant will produce 500 megawatts of power, enough to supply approximately 450,000 single family homes. Completion is expected in 2005. A second, 500 megawatt, phase may be approved by the SMUD Board next year and could be completed by 2009. The plant design includes "state of the art" emissions control and water savings features. A natural gas pipeline is being built to the site from supply lines near the Delta, and the project water supply will be pumped from the Freeport Project plant on the Sacramento River.

- SMUD is conducting a process to prepare an application to the Federal Energy Regulatory Commission by 2005 for the relicensing of their Upper American River Project for a 50 year period starting in 2007. This project consisting of eleven hydroelectric power plants produces power for approximately 20 percent of SMUD's demand, and energy for 180,000 single family homes.
- The Greenenergy program continues, with a goal of 20 percent of the energy demand being supplied by renewable sources. Currently 9 percent of the energy is produced by renewables including biomass and waste, small scale hydroelectric, solar, and wind. SMUD has plans to expand their Montezuma Hills wind project in Solano County from 10 megawatts, enough for 3500 homes, to 85 megawatts of power. They are also working with a large dairy in the Galt area to implement a project that will produce energy from cattle waste digester gas. They continue to provide incentives and assistance with solar photovoltaic panel installations for homes, business, and public facilities. They are also conducting research in the areas of concentrating solar collectors and

special biomass facilities such as at composting sites.

- The "Peak corps" programs continue. These allow SMUD to temporarily shut off a customer's air conditioner during periods peak demand, in exchange for a cost rebate.
- Studies are being conducted regarding the possible annexation of West Sacramento into the SMUD system. The City has requested this investigation as a possible means of obtaining more economical service in the long term. Such a change would include a purchase of facilities and rights from Pacific Gas and Electric. Director Shiroma emphasized that such a change would not result in any additional cost to current SMUD customers.
- Sharply increasing natural gas prices mean SMUD will be considering a potential increase in rates next year. Director Shiroma indicated that this process would include full disclosure and an extensive open public participation program.



Opportunities

Contact the League Office NOW to learn how you can volunteer. We need many hands to help with the State of the Community Luncheon, which will be held February 23. Suzanne Phinney would love to find a co-chair to help with the event logistics. Please call her at 379-0350 (W) or 359-0899 (H). Even though the election is over, we always need volunteers to stock the Post Offices with voter registration forms. There are many other ways to volunteer as well. Call the office and find out more!

League of Women Voters Sacramento Mission Statement

To encourage the informed and active participation of citizens in government and to influence public policy through education and advocacy.

Unit Meetings

The Week of November 15

Monday 6:15 pm Mid City T. Swift 453-8707 5308 Shepard Ave.

Tuesday 9:15 am Morning Suburban M. McCullough 967-7382 2426 Garfield Ave. Carmichael

Tuesday 9:30 am Greenhaven/Land Park M. Hopkins 422-6958 45 Sunlite Circle

Tuesday 1:00 pm East Sacramento E. Hickey 456-3794 1307 39th St.

Tuesday 7:00 pm Elk Grove N. Myers 689-6943 9710 Parktree Way

Wednesday 10:00 am Foothill/Sunrise B. Seamas 988-5840 8085 Capitola, Fair Oaks

Everyone is welcome to attend any unit they choose regardless of geographic area. Please call the numbers given for directions to the unit locations.

Calendar 2004 - 2005

November

- 2 Election Day
- 11 Veterans Day (Office Closed)
- 15 5:30 to 7:30: *Hats Off to Democracy!* on page 10



BROWN'S FAMOUS PICTURES NO. 2224 SUSAN B. ANTHONY BORN FEB. 15, 1820

Susan Brownell Anthony is one of the most prolific feminists of all time. Born in Adams, Massachusetts on February 15, 1820, Susan was the second of eight children. Her father, Daniel Anthony, was a Quaker abolitionist, a cotton manufacturer, and a stern man. When the family moved to Batensville, New York, Susan had to attend a district school. Mary Perkins her taught Susan that "girls could be smart too".

League of Women Voters of Sacramento County
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Time Value

The Sacramento Voter is published ten times a year by the League of Women Voters of Sacramento. Membership is open to all United States citizens, 18 years of age or older. Membership dues, payable to the league of Women Voters of Sacramento, are \$50 per year (\$75 for families). Contributions to the LVW and membership dues are not deductible as charitable contributions for tax purposes.

Hats Off to Democracy!

A Salute to Candidates

Monday, November 15: 5:30 to 7:30

The Barton Art Gallery at Michaelangelo

1723 I Street, Sacramento

hors d'oeuvres and no host bar

\$15 for members

RSVP 447-VOTE by November 10.

This is the post election party described in the President's column. This party is a celebration for all League members and for the candidates who participated in our forums during this election season. This general party is in place of the holiday party that once occurred in December. Please join in celebrating our democracy.

LWVS Diversity Policy

LWVS affirms, in both its values and practices, its belief and commitment to diversity and pluralism, which means there shall be no barriers to participation based on national origin, race, gender, creed/religion, age, sexual orientation or disability. (Adopted 2001)

The League recognizes that diverse perspectives are important and necessary for responsible and representative decision making. LWV subscribes to the belief that diversity and pluralism are fundamental to the values it upholds and that this inclusiveness enhances the organization's ability to respond more effectively to changing conditions and needs.

The League affirms its commitment to reflecting the diversity of America in its board, staff and programs.