

Call & e-mail Gray Davis Today:
(916) 445-2841
governor@governor.ca.gov



Contact Gray Davis and tell him you OPPOSE his energy plan. Tell Davis to negotiate better power rates and quit forcing taxpayers to pay for politicians' mistakes.

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The Gray Davis Energy Plan:

Skyrocketing Utility Bills

Conflicts of Interest

Mounting Losses

Bailout for Utilities

Davis Advisors Cash In

Lack of Choice

Increased Pollution

**Taxpayer-Funded
Hired Guns**

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CALIFORNIA ELECTRICITY ALERT

Gray Davis is finger-pointing and blaming others for California's energy crisis.

But the facts tell another story. Davis delayed while the problem festered—and he is now forcing taxpayers to foot the bill—an estimated \$60 billion.

Skyrocketing Utility Bills

Gray Davis secretly signed contracts with power companies that stuck taxpayers with \$60 billion in additional costs. According to State Controller Kathleen Connell, the contracts “leave state power bills open to wild fluctuations over the next decade.” Their “hidden costs” are “being shouldered by the taxpayers.” An analysis by the *Los Angeles Times* found that under the Davis contracts, consumers paid as much as 300% above the market price for electricity. (*Los Angeles Times*, July 3, 2001)

Conflicts of Interest

In a shocking violation of ethics standards, many of Gray Davis' own energy consultants owned stock in the same companies they bought power from. According to the *Sacramento Bee*, “one consultant hired by the state to negotiate long-term electricity contracts owned stock in a company that signed billion-dollar deals with California...” Another owned up to \$1 million in stock in a company he then purchased electricity from—all paid for by California taxpayers. They either did not file public disclosure reports or filed them late and under pressure. Should Californians boost the stock holdings of Gray Davis' high-priced energy consultants? (*Sacramento Bee*, July 20, 2001)

Mounting Losses

After purchasing electricity under poor long-term contracts, the state of California is now unloading it at a loss. That's right. Gray Davis is losing millions of taxpayer dollars selling electricity he paid too much for in the first place. According to energy traders, “power the state bought at an average of \$138 per megawatt is being sold for as little as a dollar.” (*Associated Press*, July 19, 2001) Davis “is squandering your money on overpriced electricity.” Rather than seeking solutions for taxpayers, “from day one of the energy crisis, the governor's guiding principle seems to have been about protecting himself politically.” (*Long Beach Press-Telegram*, July 25, 2001)

Bailout for Utilities

Gray Davis has proposed a taxpayer-funded bailout of utilities by paying \$2.76 billion to buy their power lines, creating a massive, government-run electricity grid. State Senate Democrat leader John Burton said of the Davis plan, “it is nothing more than a bailout of the utilities.” (*Sacramento Bee*, June 13, 2001, A3)

Davis Advisors Cash In

Davis blames out-of-state energy companies, but under his plan in-state utilities bilked consumers even more. According to an official state report, the Los Angeles Department of Water and Power in June of last year charged Californians as much as \$1,000 per megawatt-hour—over 30 times the price it charged just a month earlier. **Its average price was \$35 per megawatt-hour higher than those charged by out-of-state generators.** This utility was run by David Freeman—who is now Davis' top energy advisor. Freeman once claimed that even a “blind pig could make money” off the state. (*Dow Jones Newswire*, July 9, 2001)

Lack of Choice

Gray Davis wants to make it illegal to buy power from any energy provider other than the one selected for you by the government. “Utilities may end up with monopoly power over their customers,” according to the *Sacramento Bee*. (July 1, 2001) Californians are held captive under the Davis plan—and the only way to avoid paying the bills is to leave the state. (*Los Angeles Times*, June 26, 2001, B-1)

Increased Pollution

The Davis plan includes an order that “lifts emissions limits on heavily polluting power plants,” greatly reducing “air quality because they lack controls and can spew about 10 times more pollutants...” Instead of building new power plants and having clean air, the Davis plan has given us old plants and polluted air. (*Los Angeles Times*, June 14, 2001)

Taxpayer-Funded Hired Guns

Gray Davis tried to require California taxpayers to pick up the tab for two political hired guns who are his campaign consultants. “The governor's two \$30,000 per month energy crisis communications consultants have created a crisis of their own, with the state controller refusing to sign any more of their paychecks...” (*Los Angeles Times*, June 25, 2001) Should California taxpayers pay for the Porsche and Jaguar leases of Davis' political hired guns?

For more information visit: www.electricityfact.com

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