

The Jacob Journal

A Newsletter from Supervisor Dianne Jacob

July 2001

Serving the Cities of:

El Cajon
La Mesa
Lemon Grove
Poway
Santee

Serving the communities of:

Agua Caliente
Allied Gardens
Alpine
Barrett
Blossom Valley
Bostonia
Boulevard
Campo
Canebrake
Casa de Oro
Crest
Cuyamaca
Dehesa
Del Cerro
Descanso
Dulzura
Eucalyptus Hills
Fernbrook
Flinn Springs
Granite Hills
Grantville
Guatay
Harbison Canyon
Jacumba
Jamul
Julian
Lake Morena
Lakeside
Mount Helix
Pine Hills
Pine Valley
Potrero
Ramona
Rancho San Diego
Rolando
San Carlos
San Pasqual
Santa Ysabel
Shelter Valley
Spring Valley
Tecate
Tierra del Sol
Vallecitos

Serving the Indian Reservations of:

Barona
Campo
Cosmit
Cuyapaipe
Inaja
Jamul
La Posta
Manzanita
Mesa Grande
Santa Ysabel
Sycuan
Viejas

New Signs of Relief from the Power Burn

It was a windy day in San Francisco when I testified before the California Public Utilities Commission to urge passage of the Rolling Blackout Reduction program for San Diego County. In the weeks that followed, that wind brought with it a series of welcome changes on California's power front.

At last, San Diego County may have some hope in the face of the worst electricity crisis in the history of the state.

First, the Rolling Blackout Reduction Program, which compensates owners of existing emergency generators who are willing to fire up during emergency stages, was approved unanimously by the CPUC. Although Commissioners reduced the reimbursement incentive from 35 cents per kilowatt hour to 20 cents per kilowatt hour, San Diego Gas and Electric already has managed to enroll nearly 50 megawatts of backup generation. The utility expects to sign up additional megawatts in the coming weeks.

Second, federal power regulators, at last, appear to be showing their teeth to the wholesale generators who've been taking in record profits from California's unstable electric market.

Since last fall, I've appeared before the Federal Energy Regulatory Commission three times to demand that FERC uphold its responsibility to the ratepayers of San Diego County and tame the unjust prices of wholesale power on the California market. To the many East County residents who supported me or joined my letter writing campaign demanding regional price caps, our efforts have been rewarded.

On June 18, FERC finally ordered full-time controls on the price of wholesale power for the entire western region of the U.S. This puts a limit on the amount of money generators can charge California's Department of Water Resources which is currently buying power for the state's three utilities including San Diego Gas and Electric. At last, we may see greater stability on our state's shaky power market.

Price caps weren't the only good news to come down from FERC last month. When the deregulated market went into full swing this time last year, San Diego County was the only region in the state not protected by a cap on the price of retail power. Ratepayers in the cities to our north experienced no change in the price of their power bills while San Diego ratepayers saw their bills increase three and four fold.

Since then, I've been fighting to recoup those overcharges which I've argued have gone directly into the pockets of greedy generators.

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Power Relief

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If you've joined me at one of my monthly community coffees recently, you've seen the evidence I presented to FERC which chronicles the 300, 400 and even 900 percent profits of energy wholesalers last year.

FERC finally seems to agree and appears to be holding at least a handful of generators accountable for excessive charges. FERC has singled out Duke Energy, Co. owner of the South Bay Power Plant in Chula Vista, and has ordered the company to refund money from January when it charged a record \$3,880 per megawatt hour. FERC says the company was allowed to charge only \$273 per megawatt hour.

It's not just FERC pointing out profiteering. California's Independent System Operator, the state legislature and California's Attorney General are following through with lawsuits charging wholesalers with market manipulation and collusion. Investigators say they have proof that wholesalers deliberately withheld power from the grid and willfully set the price of power higher than the state could afford. These lawsuits lend credit to what East County residents and I have been shouting for more than a year- ratepayers have been gouged!

Bursting the Balloon Payment!

When San Diego Gas and Electric found itself \$750 million in debt after the price it was forced to pay for wholesale power exceeded the price it could legally pass off to ratepayers, the utility tried to raise the rates of its customers to pay off the debt. In February and again last month, I appeared before the CPUC to make certain that San Diego ratepayers remain protected from the so-called "balancing account." Last month, the governor and the utility hashed out a plan to eliminate the debt without increasing the rates of San Diego customers. The is indeed a best case scenario proposal for ratepayers.

Concerns Over State's Quest to Buy the Transmission System

As the state pursues a separate plan to purchase San Diego Gas and Electric's 1,800 mile transmission and distribution system, I'm urging taxpayers to keep close watch on this particular situation. Power officials want to acquire the transmission systems of the state's three ratepayer supported utilities for nearly \$1 billion. Energy officials say the move would weaken the ability of wholesale generators to take advantage of the power market.

While it's true that owning the entire transmission system will allow the state to better monitor wholesale power transactions, state power officials ought to weigh one important factor before inking the deal. Energy insiders have deemed the system "antiquated" "a white elephant" and "horribly out of date." Indeed, the state's proposal calls for SDG&E's parent company, Sempra Energy, to invest at least \$3 billion over six years to improve the distribution system. \$3 billion in improvements for a system with less than a half billion dollar book value? Does the state really want to put taxpayers on the hook for caring for and operating what would be the largest transmission network in the nation? Stay tuned as we continue to scrutinize the deal!

Sweating High Power Bills? Head for a Cool Zone!

East County seniors, the disabled and those who just want to save money have been looking for the County's new polar bear logo to escape the summer heat. The polar bear indicates a County Cool Zone – an air-conditioned place where folks can gather to stay safe and cool during the power crisis.

I initiated the Cool Zone project after talking with East County seniors, especially those on fixed incomes, who were having to choose between prescription medicines and paying expensive electric bills. I know that seniors are especially vulnerable to the effects of the heat so I imagined a place where seniors could gather, play cards or socialize and most importantly, escape our hot East County sun.

There are now nearly 60 Cool Zones up and running across the County. It's my hope that the sites will give people a place to relax during the power crisis. Instead of running expensive air-conditioning or fretting over bills, head to a Cool Zone. Call the County's Aging and Independence Services at 1-800-510-2020 for the Cool Zone nearest you. Businesses willing to become Cool Zones can call the same number for a polar bear logo!

<u>Cool Zone</u>	<u>Address</u>	<u>Hours</u>
Parkway Plaza El Cajon	415 Parkway Plaza	all day
Campo Southern Health Services	934 Sheridan Rd.	T 2-5, W-F 8-4
Lakeside Community Center	9841 Vine St.	M-F 10-2
El Cajon Salvation Army	1011 East Main Street	M-F 10-2
East County Superior Court	250 East Main Street	M-F 7-5
Descanso Library	9545 River Drive	M,F 1-5, W,Th 11-6, S 10-1
Potrero Library	24883 Potrero Valley	T,Th 10-5, W 5-8, F,S 10-1
Spring Valley Parks and Rec Cntr.	8735 Jamacha Bl.	M-S 9-8
Lakeside Library	9839 Vine St.	M,Th 10-6, T,W 10-8, F,S 10-5, Su 1-5
Jacumba Library	44605 Old Hwy 80	T 12-8, W 9-5, Th,F 9-12, S 1-4
El Cajon Library	201 E. Douglas	M-Th 10-8, F,S 10-5, Su 1-5
Pine Valley Library	28804 Old Hwy 80	T 1-8, W,F 11-3, Th 1-6, S 11-2
Crest Library	105 Juanita Lane	T 1-6, W,Th 12-5, S 11-4
Alpine Community Center	1830 Alpine Blvd.	M-F 9-5
Ramona Senior Center	434 Aqua Lane	M-F 8-3
Ramona Library	1406 Montecito Rd.	T 12-8, W,Th 10-6, F,S 10-5, Su 1-5

Join me for Coffee and Conversation...

The Bread Basket
1347 Tavern Road, Alpine
Friday, July 27, 2001
8:30 a.m.

Get The Jacob Journal!

The Jacob Journal will be mailed to you on a regular basis by request only. So, if you like what you've read, fill out the form below and mail it back to us at 1600 Pacific Highway, San Diego, CA 92101 or fax it to us at (619) 696-7253. We'll put you on our mailing list to get The Jacob Journal regularly!

Name _____

Signature _____

Company _____

Mailing Address _____

City, Zip _____

Phone/e-mail _____

We hope to hear from you soon!

Jul-01

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