

**Restructuring in the Rearview Mirror – a 10-Year Retrospective of California’s
Doomed Experiment with Electric Deregulation. By The Energy Overseer**

California’s Festival of Darkness

Ever since Californians first ushered in the Age of Electricity during the 1895 “Grand Electric Carnival” commemorating both the anniversary of statehood and the delivery of electricity more than 11 miles from Folsom Powerhouse to Sacramento, we have associated electric light with the notion of Progress.

Even though the state has reached the limits of its ability to produce and deliver power, consumers have a hard time giving up their love of light. On the same day that newspapers were running front-page headlines about looming power failures and high costs, with system operators and utility companies frantically urging residents to cut back or defer their holiday displays, multiple stories within those same pages touted the use of lights to celebrate the season.

That’s why Governor Gray Davis has officially proclaimed December 15, 2000, as “The California Festival of Darkness,” to help citizens understand that we are in a new era and to help return us to the days when holiday spirits of joy and brotherhood did not depend on wasteful power consumption.

Tonight we celebrate this new age with the First Annual Festival of Darkness Parade through the streets of downtown Sacramento.

“Hello, I’m James Earl Jones.”

“And I’m Leeza Gibbons, and together we’ll be your hosts for this fabulous celebration of the past year in energy. James, I don’t have to tell you how excited I am to be here at Roosevelt Park at the corner of Ninth and P Streets, the official staging grounds for this terrific parade, right across from the California Energy Commission’s headquarters.”

“I’m sure you’re right, Leeza. I’ve been taking a sneak peek at some of the floats our viewers will be enjoying this evening. And I have to say how much work and pride has gone into some of these displays.”

“James, did you know that none of the floats today are in any way connected to the electric grid? Any lighting is derived from Duracell batteries or small solar panels temporarily borrowed from those highway emergency telephone stations.”

“Leeza, they’re just about to start. We’ll cut away for a brief commercial conservation message from our parade sponsor, the Independent System Operator, giving us time to move over to the review stand.”

A blank screen follows for 20 seconds, followed by a brief flash of the words: “Save Energy. Save Our Jobs. Please.”

“We’re back, and just in time. Hear those drums. Listen to those flutes. The Parade of Darkness begins with a special honor guard from the Veterans of Direct Access’ California Chapter.”

“These valiant VDA warriors were the front line of electric restructuring, Leeza. Did you know that in 1998 more than 300 strong and hearty of these energy service providers took to the streets and telephone lines to enlist consumers in direct access?”

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Today, fewer than a dozen have survived, and we all owe them a debt of gratitude for their sacrifice. It’s amazing they are still standing.”

“Here comes the Green Contingent of ESPs, the most elite force in the industry. Those green berets and polo shirts were paid for through the special CEC renewables programs.”

“Leeza, I think it’s fair to say that these veterans are a source of great pride, not just for Californians but for all Americans, even now that President-elect Bush has said he will outlaw all renewable power.”

“A symbol of the glorious past, James. This may be the last time we see those twirling wind turbines and swiveling solar dishes.”

“Speaking of symbols, here comes the float carrying the king and queen of the parade--Loretta Lynch, president of the California Public Utilities Commission, and Michael Kahn, head of the Electricity Oversight Board.”

“Look, they’re smiling and waving to the crowds. How munificent! What is that they’re holding?”

“Leeza, I believe they’re waving subpoenas and search warrants, symbols of their power.”

“And just in time, I’d say, because following close behind is the Power Generators’ Association float. This replica of a 1950s steam generator was modeled on the South Bay Power Station, formerly owned by San Diego Gas & Electric and now operated by Duke Energy North America.”

“This is a special float, Leeza. As it passes the review stand, it will literally fall apart before our very eyes as a result of years of deferred maintenance. It says here in my program notes that the operators--those elf-like creatures you see scurrying around--won’t be able to put it back together until the parade is almost over, when it will issue forth a huge plume of dark smoke representing the fuel oil that Duke was forced to burn while natural gas prices were high and pipeline deliveries were cut by SDG&E.”

“It’s a true-to-life diorama, James. And so representative of the past year in power.”

“Here comes another San Diego delegation. It’s the Hordes of Disgruntled Ratepayers, led by consumer advocate Michael Shames and several local politicians, including former mayors Susan Golding and Maureen O’Connor. One elected official who is not here tonight is state Senator Steve Peace, the Chula Vista Democrat and Father of Restructuring, who we understand has taken his family into the federal Witness Protection Program.”

“Senator Peace could not be with us, but he is here in spirit, and in the burning effigy carried by members of the Utility Consumers’ Action Network and the Legion of Interruptible End-Users.”

At this point, a burst of fireworks fills the air.

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“‘Skyrockets in Flight.’ That’s the theme of this float sponsored by the California Power Exchange, commemorating market clearing prices over the past several months. This fireworks display has been programmed to mimic the initial spikes of record prices on the PX in May and June, followed by a sustained volley of capped but still-significant bursts through the summer. Ending with a spectacular eruption representing the week leading up to this very parade!”

“Join with us and the crowd as we count upward: 250; 600; 1,000; 1,400. Fourteen Hundred and Seven! That’s something else we may never see again, Leeza. Or perhaps it’s just a passing milepost of progress that we’ll look back upon fondly in the summers ahead.”

“That’s almost inspirational, James. But speaking of summer peaks, here comes the Pacific Gas & Electric float celebrating its newest all-time record load reached this year, followed by the series of floats from Southwestern utilities that also saw sequential peaks.”

“This helps remind us how California is integrated with the entire Western utility system, Leeza. As does this magnificent float sponsored by Northwestern-based power traders Enron and PowerEx.”

“A truly amazing display, probably the most extravagant rendition of an actual power trading floor I’ve ever seen, modeled on Enron’s Portland operation, but all done in silk roses to represent the City of Roses. Now we know where all those profits have been going, James.”

“That and the profit-sharing plan, Leeza. Here’s another joyous Northwest theme, sponsored by the federal Bonneville Power Administration. Check this out! It’s a scale model of Grand Coulee Dam, the main source of BPA’s wonderful hydroelectric generation we’ve depended upon so much here in California.”

“Yes, James, isn’t it something? But this year of near drought has all but dried up hydro exports, so this BPA float will actually spill salmon over the edge in order to release water and electricity for the state of California!”

“And we have the US Department of Energy to thank for this largess that has so many times prevented California from going completely dark.”

“Not to forget the Western Area Power Administration’s Glen Canyon operations, James. It’s a testament to inter-regional dependency.”

“And now we’re heading to the Grand Finale! What we’ve all been waiting for. California’s Governor Gray Davis and the leadership of the state Legislature in a fabulous float entitled ‘The Spirit of Reregulation.’ This float, costing more than \$20 billion to recapture the energy infrastructure and bail out California’s investor-owned utilities, represents all of the hopes and dreams of this incredible Festival of Darkness Parade . . . “

The screen goes dark. After several seconds, a hastily scrawled message appears on television screens across the state: “Due to technical difficulties, we

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terminate transmission of this special program. Save energy. Please!” **[Arthur
O’Donnell]**.

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