

Botched energy policies are driving high energy prices



Oil derricks are busy pumping as the moon rises near the La Paloma Generating Station in McKittrick, California in 2017. Gary Kazanjian — The Associated Press

Gov. Gavin Newsom recently posted that electricity prices have risen 10% since January, squarely placing the blame on President Donald Trump and Republicans in Congress. But for the millions of families and small businesses in my home state paying these higher energy prices, this is no laughing matter.

The data are in, and California now ranks 49th out of 50 in the nation for energy affordability. That means nearly every other U.S. state offers its residents lower-cost electricity. The only state with more expensive electricity is Hawaii, which as a chain of islands has unique geographical challenges to energy production that are simply not factors in the lower forty-eight.

California's residential electricity price was a shocking 35.03 cents per kilowatt hour back in May of this year. Compare that to Idaho (11.88 cents), Louisiana (13.15 cents), or Ohio (17.11 cents). An average home will consume about 10,500 kilowatt hours of electricity per

year, so that disparity adds up quickly. For middle-class families already grappling with higher housing, food, and fuel prices, the pain is real.

As a California native, it is tragic to see how Sacramento has so utterly mismanaged our state's world-renowned natural resources. California is blessed with abundant sun, wind, water, and natural gas reserves in spades, yet our residents and businesses are paying almost triple what consumers in other states are charged.

This is no accident; it is a policy choice decades in the making. Sacramento's endless layering of taxes, carbon pricing schemes, and burdensome regulations has driven up costs and driven out affordable energy options. Excessive taxes alone tack significant dollars onto every household's monthly bill.

Reliability is just as bad. California experienced more major reliability incidents than any other state last year, with outages for hours or even days. Utilities were forced to delay critical infrastructure upgrades to comply with the state's Renewable Portfolio Standard mandates. When wildfires struck, the consequences were catastrophic.

Instead of embracing a diverse energy portfolio backed up with reliable baseload power generation, California politicians have doubled down on intermittent and weather-dependent sources. Solar only works when the sun shines, turbines only spin when the wind blows, and hydroelectric power suffers from droughts and the government's decision to dismantle six dams in the last five years.

Natural gas and nuclear, two of the most reliable and affordable sources, have been vilified and pushed to the brink. The state's only remaining nuclear plant, Diablo Canyon, was nearly decommissioned until the governor reversed course under political pressure after natural gas prices spiked.

The good news is it does not have to be this way. States can diversify their generation mix, reduce punitive taxation, and give utilities the ability to maintain and modernize their infrastructure. Idaho, Louisiana, and Texas show what's possible when policymakers prioritize affordability and reliability over political mandates. Their communities enjoy electricity at a fraction of California's cost, and their economies are stronger for it.

California families deserve better than rolling blackouts and the nation's second-highest electric bills. Sacramento's failed energy experiment has left working people with less money in their wallets and fewer choices for their future. Policymakers must reverse course and make affordability and reliability the top priorities guiding all energy policy.

So, before Gov. Newsom and state officials cast the first stone at Congress for taking necessary steps to reinstate American energy dominance, they might want to look inward. Until they do, Californians will continue to needlessly suffer under a system that punishes the very people it is supposed to serve.

Jake Morabito is the senior director of the Energy, Environment, and Agriculture Task Force at the American Legislative Exchange Council.