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California's Rolling Blackouts (2001)

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Like the "beginning of sorrows" (Matthew 24:8), rolling electricity blackouts have been experienced for the second time in a single week-- as of January 21st 2001-- in Northern and Central California, as the demand for electricity exceeded the supply. A rolling blackout is a series of temporary, controlled rotating power outages. The California Independent System Operator (CAL-ISO), a non-profit public benefit corporation which manages 80 percent of the state's electricity grid, declares a Stage 3 alert for California's investor-owned utilities when electricity reserves dip below 1.5 percent, mandating rolling blackouts. Northern California's Pacific Gas and Electric (PG&E) and Southern California Edison (SCE) customers are the chief focus, since both utilities have been unable to buy sufficient electricity from out-of-state suppliers due to their near bankruptcy-- which would rate among the biggest business failures in U.S. history, as compared to the \$128 billion bailout of the savings-and-loans by the federal government. Their dismal credit ratings stem from nonpayment of previous purchases of wholesale electricity. California's utilities have already passed on to their customers nearly \$12 billion of "undercollected" electricity since May 2000. They have been unable to make a profit, because consumer rates have been capped by the California Public Utilities Commission (CPUC), while the wholesale price of electricity has been left uncapped by the Federal Energy Regulatory Commission (FERC). PG&E and SCE have borrowed huge sums of money in the commercial markets, to finance the purchase of wholesale electricity. In 1996, then Governor Pete Wilson spearheaded the deregulation of California's electric utilities (AB 1890), which passed unanimously by California's legislature and was supported by the utilities. Ironically, deregulation was to bring more competition and lower prices to the state. Utilities were supportive because it reimbursed them for \$28 billion of "stranded costs"-- mainly from bad investments, such as the nuclear plants at Diablo Canyon and San Onofre. "Except the LORD build the house, they labour in vain that build it: except the LORD keep the city, the watchman waketh but in vain" (Psalm 127:1).

California's technology boom-- employing nearly 800,000, where technology accounts for \$64 billion of California's \$110 billion export total-- requires the use of growing amounts of electricity. Additionally, an increase in the state's population, a natural gas shortage, power generation plants shut down for maintenance or repair, and no new power generation plants being built in California for the last ten years, have contributed to California's energy crisis. But, most significantly, the abrupt collapse of the California wholesale electricity market in May 2000, signaled the imminence of future rolling blackouts. Under 1996 deregulation, California's utilities were required to sell off their power generation plants; instead, they now depend on the wholesale electricity market, which has turned wholesale electricity into a kind of commodities future, subject to the instability of the financial markets. Insufficient power production and/or the unwillingness of power producers to supply the needs of purchasers through the California Power Exchange (CalPX) has unexpectedly plunged Californians into Y2K-like darkness, resulting in over 675,000 homes from Bakersfield to the Oregon border losing their power for about two hours, the state's main gasoline artery shutting down for over

ten hours (setting the scene for higher prices and shortages), inoperative ATMs, darkened traffic signals, dairy products dumped for lack of refrigeration, restaurants unable to service customers, etc., with little light at the end of the tunnel. This Third World-like climate has 80 percent of Californians convinced that the energy crisis will damage the state's economy. "17 Learn to do well; seek judgment, relieve the oppressed, judge the fatherless, plead for the widow. 18 Come now, and let us reason together, saith the LORD: though your sins be as scarlet, they shall be as white as snow; though they be red like crimson, they shall be as wool. 19 If ye be willing and obedient, ye shall eat the good of the land: 20 But if ye refuse and rebel, ye shall be devoured with the sword: for the mouth of the LORD hath spoken it" (Isaiah 1:17-20).

California's rolling blackouts have the potential of putting on the economic brakes of the "World's Sixth Largest Economy". According to the Legislative Analyst's Office of the State of California December 2000 report on "California's Economy and Budget in Perspective":

"California's gross state product exceeds \$1.2 trillion, making it one of the world's largest economies. California accounts for 13 percent of the [USA's] output and trails only Japan, Germany, England, and France. Our nation's next largest state economy--New York--is about 70 percent the size of California's."

California's energy crisis is an American economic crisis. It is more than a Pacific Rim trade crisis, and enough to be felt worldwide. Keeping the lights on has fast become more than the concern of only energy conservationists. "21 And the LORD said unto Moses, Stretch out thine hand toward Heaven, that there may be darkness over the land of Egypt, even darkness which may be felt. 22 And Moses stretched forth his hand toward Heaven; and there was a thick darkness in all the land of Egypt three days: 23 They saw not one another, neither rose any from his place for three days: but all the children of Israel had light in their dwellings" (Exodus 10:21-23).

What can be done to avert further crisis? First, since the critical infrastructure of the state's utility grid must be protected, PG&E and SCE cannot be allowed to go bankrupt. Electricity rates will probably have to go up at least 30 percent for some semblance of cash flow to be restored to the utilities. Second, additional power generating plants must be quickly built, with fast track approval by the state and possible eminent domain exercised for plants and transmission lines. Third, California Governor Gray Davis must lock in lower-priced, long-term wholesale energy contracts, as directed by Curtis Hebert of the FERC, even though, as of January 25th, it appears that Davis' Internet-based auction to do so has initially failed. Fourth, since California can be blamed for turning off dams, shutting down nuclear reactors, and preventing new plants from being sited, it is difficult to expect neighboring states to supply the deficit, but Energy Secretary Spencer Abraham's directive to energy suppliers to continue selling surplus natural gas and electricity to California's cash-strapped utilities until February 6th, would need to be extended. Though newly inaugurated President George W. Bush is reluctant to do so, federal intervention is inevitable. This problem will spill over to other states, who have also adopted the same deregulation, administered by the FERC and exposed to the whims of the financial market. Fifth, exploring how to reverse deregulation by rescuing the electrical supply from the ravages of the financial markets, is necessary to insure the supply of affordable, dependable electricity. Finally, every Californian must become an energy conservationist, wherever possible. Conservation must be more than a passing fashion. "Moreover it is required in stewards, that a man be found faithful" (1Corinthians 4:2).

How should the Saints react to California's rolling blackouts? By all means, turn off any unnecessary electricity; but, most importantly, continue to put your confidence in God, who is the Great Supplier. "But my God shall supply all your need according to His riches in glory by Christ Jesus" (Philippians 4:19). Do not allow the daily news reports to keep you from seeking "first the Kingdom of God, and His righteousness" (Matthew 6:33). Remember that worrisome thought about the things that you cannot change about tomorrow, is sinful and destroys faith. "Take therefore no thought for the morrow: for the morrow shall take thought for the things of itself. Sufficient unto the day is the evil thereof" (6:34). Give the LORD the credit that He can maintain the house and home that He established for you. "The house of the righteous shall stand" (Proverbs 12:7). Believe that the Almighty God will maintain your circumstances. "The LORD is the portion of mine inheritance and of my cup: Thou maintainest my lot" (Psalm 16:5). Avoid sinful worry by actively praying about all of your concerns. "6 Be careful for nothing; but in every thing by prayer and supplication with thanksgiving let your requests be made known unto God. 7 And the peace of God, which passeth all understanding, shall keep your hearts and minds through Christ Jesus" (Philippians 4:6-7). Intercede for the well-being and continued usefulness of those Saints affected by California's rolling blackouts. "Finally, brethren, pray for us, that the Word of the LORD may have free course, and be glorified, even as it is with you" (2Thessalonians 3:1).

In our LORD's Olivet Discourse (Matthew 24, Mark 13, and Luke 21), shortly before He was crucified, He outlined the conditions to be found throughout the Church Age-- a time punctuated by wars, commotions, and fearful sights. "8 And He said, Take heed that ye be not deceived: for many shall come in My Name, saying, I am Christ; and the time draweth near: go ye not therefore after them. 9 But when ye shall hear of wars and commotions, be not terrified: for these things must first come to pass; but the End is not by and by. 10 Then said He unto them, Nation shall rise against nation, and kingdom against kingdom: 11 And great earthquakes shall be in divers places, and famines, and pestilences; and fearful sights and great signs shall there be from Heaven. 12 But before all these, they shall lay their hands on you, and persecute you, delivering you up to the synagogues, and into prisons, being brought before kings and rulers for My Name's sake" (Luke 21:8-12). Church history bears out that persecution has occurred to the Saints at the hands of the Jews, the Romans, during the Inquisition, from the Communists, etc., just as Jesus prophesied. "Yea, and all that will live Godly in Christ Jesus shall suffer persecution" (2Timothy 3:12). Providentially, Christ would not allow His Church to be exterminated, but only watered by the blood of chosen martyrs. "And some of you shall they cause to be put to death" (Luke 21:16). The wisdom of God has ordained that divinely allowed suffering, such as what may result from California's rolling blackouts, is to perfect and sanctify the Saints, even as the humanity of Christ was perfected through suffering. "8 Though He were a Son, yet learned He obedience by the things which He suffered; 9 And being made perfect, He became the Author of Eternal Salvation unto all them that obey Him" (Hebrews 5:8-9).

The Saints are "strangers and pilgrims on the Earth" (Hebrews 11:13), and should not fear the purification of persecution or the suffering caused by California's rolling blackouts, because we are made "strong in the LORD" (Ephesians 6:10), "if any man suffer as a Christian" (1Peter 4:16). "Therefore I take pleasure in infirmities, in reproaches, in necessities, in persecutions, in distresses for Christ's sake: for when I am weak, then am I strong" (2Corinthians 12:10). Our willingness to endure a rolling blackout is part of our faith and confidence in the LORD to sustain us. "So that we ourselves glory in you in the churches of God for your patience and faith in all your persecutions and tribulations that ye

endure" (2Thessalonians 1:4). Our growth "in grace, and in the knowledge of our LORD and Saviour Jesus Christ" (2Peter 3:18), will be promoted by our necessity to overcome in faith the difficulties of our circumstances. Just as Abraham was taught that God is "Jehovah Jireh [Hebrew, Jehovah sees]" (Genesis 22:14), when he had the necessity of obeying the LORD in sacrificing Isaac (who was spared), we, too, will find that He sees our plight and will command deliverance for us, as well. "Thou art my King, O God: command deliverances for Jacob" (Psalm 44:4). As our God wisely tempers our faith with testings, our patience increases, as does our magnification of the "Only Wise God Our Saviour" (Jude 25). "To the praise of the glory of His grace, wherein He hath made us accepted in the Beloved" (Ephesians 1:6).

And, if we can no longer see light at the end of the tunnel, but "hear of wars and commotions, be not terrified" (Luke 21:9). This is only evidence that our LORD's return for us is all but upon us. "Then look up, and lift up your heads; for your redemption draweth nigh" (21:28). Soon, after our LORD sovereignly chooses "not [to] tarry" (Hebrews 10:37), the Light at the end of the tunnel will be the appearance of the LORD Jesus Himself for us! "So Christ was once offered to bear the sins of many; and unto them that look for Him shall He appear the second time without sin unto Salvation" (9:28). The Saints do not need to ignore the reality of such events as rolling blackouts, to be full of faith and hope that maybe this time might be the "fulness of the time" (Galatians 4:4) for our LORD Christ to rapture His Saints Home! "Behold, I come quickly: blessed is he that keepeth the sayings of the prophecy of this Book" (Revelation 22:7).

Maranatha!