

PG&E backs measure to tighten grip on cities

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(08-17) 19:14 PDT -- For years, cities dissatisfied with Pacific Gas and Electric Co. have tried to break away from the utility company, either by joining another or going into the power business for themselves. They have rarely succeeded in breaking free.

Now PG&E is backing a statewide ballot measure that would make it even harder for cities and counties to leave.

Under the measure, local governments that plan to start selling electricity would first need a two-thirds vote of approval from their residents if the plans required public financing.

Existing public-power utilities, such as the Sacramento Municipal Utility District, would need a two-thirds vote of approval before they could expand outside their current borders.

The company says the measure, which would appear on the June 2010 ballot, ensures that the public can vote on potentially expensive decisions.

"PG&E supports giving its customers more control over how their hard-earned tax dollars are being spent," said company spokesman Andrew Souvall. "At a time when state and local governments are facing dire budget conditions, it's more important than ever to have that control."

Hinders energy choice

Public officials who want to enter the electricity business call the measure a thinly disguised attempt to stop them.

"This is PG&E's deceptive act to kill its competition and to subvert any California city's right to chart its path toward energy independence," said San Francisco Supervisor Ross Mirkarimi.

The city's Board of Supervisors has scheduled a private hearing today to discuss the measure.

San Francisco, PG&E's home base, plans to start selling electricity to its citizens under a system called community choice aggregation. The city would buy power for its citizens but would not own the electrical distribution grid, which would stay with PG&E.

Eight cities in Marin County, as well as the county government, have banded together to do the same thing. Backers of both plans say they can offer residents a much higher percentage of renewable power - from sources such as the sun and the wind - than PG&E can.

Raises vote hurdle

If the ballot measure passes, the community choice programs in San Francisco and Marin would require the approval of two-thirds of the voters in those communities - a very high hurdle. Under current state law, community choice programs must be approved by local elected officials but not by the public at large.

"It's just a cynical attempt to gum up the works for everyone who competes with these monopolies," said Marin County Supervisor Charles McGlashan, who also serves as chairman of the board for the Marin Energy Authority.

The initiative, which would amend California's Constitution, needs 694,354 valid signatures before Dec. 21 to

reach the ballot. So far, PG&E is the only contributor to the campaign, donating \$750,000 in July, according to records from California's secretary of state.

Fighting over the initiative has already begun. Opponents successfully petitioned California Attorney General Jerry Brown to change the measure's original title, the Taxpayers Right to Vote Act.

It has since been renamed the New Two-Thirds Requirement for Local Public Electricity Providers. (The Sierra Club had requested "The Utility Monopoly Protection Amendment," with the visceral acronym of "ThUMPA.")

Long-running battle

The measure represents the latest skirmish in a long-running battle over public power in California.

The 1913 federal Raker Act that let San Francisco dam the Hetch Hetchy Valley for water authorized the city to create a public power utility, using electricity from hydroelectric dams.

But in defiance of the act, city leaders chose to sell that electricity to other communities and keep the profits. Public power advocates have repeatedly asked San Francisco voters to create a municipal utility for the city, sponsoring 12 ballot measures since the 1920s, but each measure failed.

Other cities have tried to leave PG&E for another, existing utility. In 2006, public officials in Davis, West Sacramento and Woodland tried to break away from PG&E and join the Sacramento Municipal Utility District. PG&E lobbied heavily against the plan, and voters narrowly rejected it.

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