

# PG&E fights Marin power push

*Richard Halstead, 08/05/2009 Marin IJ*

Pacific Gas and Electric Co. is backing a ballot measure that would make it much tougher for government entities, such as the Marin Energy Authority, to compete with PG&E as a retailer of electricity.

A state law passed in 2002 allows cities and counties to provide electrical service through a contract with a provider other than the utility that serves the area. The law was passed in response to California's energy debacle of 2000-01 and market manipulation by Enron Corp.

By the end of last year, the county of Marin had contributed \$527,000, and the Marin Municipal Water District another \$130,000, to create the Marin Energy Authority. The joint powers authority was formed in November to explore projects to reduce greenhouse gas emissions. Chief among those projects would be the Marin Clean Energy initiative, which calls for the authority to compete with PG&E as the retailer of electricity.

County supervisors have also authorized spending up to \$330,000 more, which the county would get back if the authority goes forward to successfully sell its own electricity. The authority's main objective is to boost usage of renewable energy in the county.

But an initiative that could make it to the ballot by June 2010 threatens to stymie the Marin effort and others like it.

"What this is is a monopoly's effort to erect an onerous barrier to entry," said Marin County Supervisor Charles McGlashan, a strong advocate for the Marin Energy Authority. "It's the most cynical initiative I've seen in a long time."

The initiative, originally titled "The Taxpayers Right to Vote Act," would require local governments to obtain the approval of two-thirds of the voters in the affected jurisdiction before using public funds, borrowing or issuing bonds to start or expand electric delivery service.

Under current law, voter approval is not required for local governments' entry into the electricity delivery business. Elected representatives determine whether to participate.

According to the California Secretary of State's Office, PG&E is the sole funder of Californians To Protect Our Right To Vote, the committee that submitted the initiative. PG&E has contributed \$750,000 to the group and is a founding member of the committee.

"We are supportive of the initiative," said Andrew Souvall, a PG&E spokesman. Souvall referred all other questions to the committee.

Greg Larsen, of the Sacramento public relations firm Larsen Cazanis said he has been hired to serve as the committee's spokesman. Larsen said he couldn't reveal the names of any committee members besides PG&E at this time.

"We're still putting the whole team together, and when we have it assembled, we'll be talking about it publicly," Larsen said.

The committee has until Dec. 21 to collect the 694,354 signatures necessary to get the measure on the ballot. The earliest it could go to voters would be June 2010.

Larsen said, "The initiative does only one thing. It just ensures that whatever decision is taken, the

voters - who are either going to have to repay the debt over a generation or pay the freight outright - have the final say."

Larsen said requiring two-thirds voter approval of such expenditures is appropriate, "since these are such long-term fiscal commitments of large amounts of public dollars."

Barbara George of Fairfax, director of Women's Energy Matters, a nonprofit advocate for increased use of renewal energy, said the two-thirds requirement is anti-democratic.

"It's an attempt to have a small minority dictate to the rest of us," George said. "It shows they think they wouldn't win a regular, democratic 50-50 split."

Last month a dozen companies submitted bids to the Marin Energy Authority to supply the electricity the authority needs to compete with PG&E. Those bids are being analyzed now.

"I think other cities and counties around the state are going to be really inspired by what Marin is doing, and I think that is why PG&E had to do this," George said.

Michael Dean, a lawyer for one of the bidders, the Northern California Power Authority based in Roseville, said, "I think the measure is really an anti-competitive act by the investor-owned utility community." The authority is a not-for-profit joint powers agency.

The Fairfax Town Council was scheduled to consider a resolution opposing the initiative when it met Wednesday night.

"Part of the effort here is to head it off before the misleading ballot title gets traction," said Fairfax Councilman Larry Bragman, "because it's using buzz words about taxes and taxpayer rights that traditionally get attention here in California."

Complaints about the measure's title have already bore fruit. McGlashan said that Attorney General Jerry Brown, responding to complaints from the Marin Energy Authority, the Sierra Club and others, has changed the measure's title to: "New Two-Thirds Vote Requirement for Local Public Electricity Providers."

Bragman said the initiative gives the false impression that tax money would be used to cover the costs of jurisdictions that decide to get into the electricity delivery business. In reality, those costs would be covered by the revenue that jurisdictions generate when they sell the electricity, he said.

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