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PG&E ballot measure is a stealthy power play

The proposed Taxpayers Right to Vote Act illustrates what California's initiative process has come to. It's a plaything of powerful interests using deception to line their pockets.

By Michael Hiltzik

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On the face of it, nobody should find anything objectionable to the [Taxpayers Right to Vote Act](#), a proposed initiative now awaiting certification to go on the state ballot.

The measure would require a two-thirds vote by residents of a municipality to approve certain public expenditures or borrowings. It's cast as the most virtuous of good-government propositions. Or as Greg Larsen, head of the initiative's campaign committee, puts it, "Why shouldn't the people who are going to pay the bill have the right to vote on that?"

But let's shine a light on this initiative from another angle. First, the only expenditures it applies to are those devoted to setting up or expanding a municipal electrical utility.

And its sole sponsor, according to state campaign finance records -- is [Pacific Gas and Electric Co.](#), one of the biggest electrical utilities in the state. So far, [PG&E has spent \\$3 million](#) of ratepayers' money to advance the Taxpayers Right to Vote Act.

What are the chances that PG&E ginned up this innocuous-sounding initiative, shrouding its own involvement behind a scrim of public relations and law firms, largely to preserve its monopoly against competition from public power agencies? I'd say 100%. Thanks to state campaign finance laws, PG&E can't entirely hide its financial links to the initiative campaign. But it's not exactly proclaiming them

from the rooftops, either. When I asked to speak to someone at PG&E overseeing the campaign, the company steered me to Larsen, a Sacramento P.R. man. But he wouldn't tell me how PG&E got the ball rolling, either. God forbid that the PG&E executives who cooked this thing up come out of hiding.

Such is what California's initiative process has come to. It's a plaything of powerful interests using deception and misdirection to line their pockets.

We're about to enter another silly season of California initiatives. At this moment, 51 have been cleared by the state attorney general and secretary of state to collect petition signatures, preparatory to claiming a spot on an upcoming ballot. Two are undergoing signature verification, the last step before being scheduled for a vote -- PG&E's and a measure to undermine state auto insurance regulations, promoted by Mercury Insurance. (I wrote about the latter [back in July](#).) Almost every one illustrates the flaws in our state government. Some promote extremist or just loopy goals across the political spectrum. There are a pair forbidding [the use of taxes to fund schools](#) or [schools to set curricula](#). Another [outlaws divorce](#) in California.

One proposes a [55% wealth tax on big estates](#), the money to be spent on buying up stock of defense and environmentally unsound companies and shutting down the offending operations.

Several propose [a constitutional convention](#). A convention is needed, their [supporters argue](#), to overturn the budgetary roadblocks, the term limits and other rules that doom us to an inexperienced and extremist Legislature, and laws favoring special interests. Chief among the latter is the initiative process itself.

The real danger in the initiative process lies in its domination by rich corporations. This is exactly the opposite of the intentions of the system's creator, Gov. Hiram Johnson, when he was fighting the Southern Pacific Railroad and Harry Chandler, proprietor of the Los Angeles Times, a century ago.

Which brings us back to PG&E and its stealth initiative. The Taxpayers Right to Vote Act is a dagger aimed directly at a movement to enable municipalities to offer renewable green power to their residents in competition with private utilities. Such [Community](#)

[Choice Aggregation](#) programs, which are enabled under a 2002 state law, have drawn particular interest in Northern California, which PG&E considers its diocese.

One reason for the interest may be the utilities' poor record in meeting their renewable power goals, such as a legal deadline from the state requiring them to get 20% of their power from renewable sources by next year. As of 2008, PG&E was only up to 11.9%. Southern California Edison hit 15% but isn't expected to meet next year's deadline either.

PG&E's fight against CCAs continues an assault by private utilities against public power dating to the 1920s and 1930s. In those days, they bribed politicians and paid off schoolteachers and textbook publishers to fight public projects like Hoover Dam and the Tennessee Valley Authority. Nowadays, they use the ballot box and the power of TV advertising to achieve similar ends. Their fear today is that municipal utilities will undercut them on pricing and recruit their customers. That's not an unrealistic fear, as municipal utilities have consistently beaten the private utilities on rates.

Larsen, PG&E's front man in the initiative campaign, says its goal is merely to protect taxpayers from being drawn unwittingly into unwise and costly power investments. This gives new meaning to the word "disingenuous."

The giveaway is the two-thirds vote requirement, which is poison to any attempt to enact public policy in this state. Rather than backers persuading a majority of voters to favor a policy, it means that opponents merely have to muster a tiny minority to kill it. The two-thirds vote requirement for passing a budget or enacting taxes in Sacramento has bequeathed us permanent fiscal gridlock and a \$20-billion deficit, so PG&E knows exactly how mortal a weapon it can be.

And it's not as though CCAs are so easy to set up -- [not one has yet gone into operation](#) in the state in the seven years since the enabling legislation was passed. But PG&E may wish to make sure there's no breath in the body.

"PG&E has infinite sums of money to manufacture their own story," says [Ross Mirkarimi](#), a San Francisco supervisor involved in setting up that city's CCA, which hopes to start delivering green power

sometime next year. "But its clear goal is to kill all competition. That's reprehensible."

Is there any way to wrest the initiative process out of the claws of corporate interests? Here's a suggestion: Any time a corporation contributes more than 50% of the original funding for an initiative campaign, the campaign's TV advertising should be limited to shots of its CEO explaining directly to the camera exactly what his company expects to gain from it. At least then the voters will be able to judge the sincerity of its commitment to civic virtue.

Of course, it would probably take a ballot initiative to enact such a rule. We could call it the Taxpayers Right to See the Wolf in Sheep's Clothing Act. I may start gathering signatures today.

<http://www.latimes.com/business/la-fi-hiltzik28-2009dec28,0,3633154.column>

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