

## **Palo Alto votes to oppose PG&E-backed ballot measure**

*Will Oremus: 02/03/2010 Mercury Daily News*

What Pacific Gas & Electric calls the "Taxpayers Right to Vote Act," Palo Alto officials are calling a power play by the utility company to stifle competition from the public sector.

The city council voted 9-0 Monday night to pass a resolution opposing Proposition 16 on the June 8 statewide ballot, officially titled the "New Two-Thirds Requirement for Local Public Electricity Providers Act." The act, which PG&E has spent \$6.5 million to promote and put on the ballot, would require cities and counties to get two-thirds voter approval to form or join a different electric utility provider.

Palo Alto is one of several cities in the state that already provides its own utilities. The law would make it more difficult for other agencies to follow suit — or for Palo Alto to expand its reach.

John Melton, chair of the city's utilities advisory commission, said he doesn't envision Menlo Park or Mountain View leaving PG&E for Palo Alto Utilities anyway. But he said there is concern that the initiative's vague language could make it tougher for Palo Alto to buy new non-renewable production or transmission facilities outside its borders.

"That makes it an economic development issue," Melton said. "If we can't bring in enough new power, we can't support new businesses, and we can't support the growth of existing businesses."

Melton said it's the principle of PG&E's effort that doesn't sit well with him, especially the two-thirds requirement. He argued it's contrary to the spirit of the initiative process shaped by former California Gov. Hiram Johnson.

"Hiram Johnson would be twisting in his grave," he said. "He put the initiative process into the state constitution so individual voters could get political power away from the robber barons. Today the current robber barons are using the initiative process to take the power away from the people."

The measure's backers argue their goal is to give the voters more power to check unwise spending by their local governments.

"This is a very complex business, and there are a lot of risks associated with being an energy provider," said PG&E spokesman Andrew Souvall. "We want to protect our customers from risky proposals that may be out there. If they have an opportunity to vote on a proposal then their voices are being heard."

Greg Larsen, a consultant for the campaign to pass the measure, said the two-thirds requirement wasn't designed to block competition. He noted that special taxes and school bonds often surmount that barrier.

"If taxpayers are presented with what they believe is a well-thought-out proposal for their community at the right time, California voters have shown they will approve it," he said. "It's nowhere near the obstacle that (critics) would imply."

Palo Alto on Monday joined several other cities in formally opposing Proposition 16, which qualified for the ballot in January. City employees aren't allowed to campaign against it, but Council Member Larry Klein suggested the city at least forward its resolution and some background information to local business groups such as the Palo Alto Chamber of Commerce.

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