

Proposition 16 Part Two: Is two-thirds too high a bar?

5/21/2010, Alan Marsden, KHSL Channel 12

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(song from Youtube.com) "You gotta beat 16 or what do you get, another day older and deeper in debt, saint peter don't you call me cuz I ain't free. I owe my soul to PG&E."

Why would something with such an in-offensive name as "The Tax Payer's Right to Vote Act" meet such bitter opposition? Prop 16 would impose a new two-thirds voter approval requirement before local governments could spend public money to get into the electricity business. But editorials in newspapers around the state have come out against the ballot measure saying it would actually give customers less say about where their electricity comes from. Robin Swanson with the Yes on Prop 16 campaign says that's nonsense. "If our opponents have such great plans, if they really can provide lower cost electricity, if they really can provide greener electricity, then voters will be voting for it in droves," Swanson said.

But if an existing public utility like Redding Electric tried to expand its service it wouldn't just be the potential new customers, the ones who stand to save as much as 40-percent on their electricity bills, who would be voting. All Redding voters, those already enjoying lower rates, must also approve expansion with a two-thirds majority.

"When you couple that with anticipated efforts by PG&E to stop that vote means effectively it's too high a bar," said Paul Hauser, director of Redding Electric Utility. He claims that would effectively kill any hopes of REU expansion as the city of Redding grows.

In 2006, PG&E spent millions fighting ballot measures to expand SMUD, the Sacramento Municipal Utility District, across the river into Yolo County. It's mailers warned existing SMUD customers that the cost of expansion would lead to drastic increases in their electricity rates. The expansion measures failed. But supporters of Prop 16 argue that since 2006 more than half of all local bond initiatives in the state have passed with a two-thirds vote. "They're afraid to go to the voters on this issue," said Robin Swanson. "They will take us to court. They will do anything possible to keep this off the ballot because they're afraid of what voters will say."

Besides pG&E and it's \$34.5 million the Yes on Prop 16 campaign has other supporters as well; the California Chamber of Commerce, the California Taxpayer's Association and the California Republican Party to name a few. "This isn't about PG&E versus anybody else," said Swanson. "This simply about voters having the final say when local governments go into the retail electricity business."

Opponents say the voters already have a say in the matter by electing or removing the public officials who make the decisions but they have no say in electing the PG&E board of directors. Mark Tomey of TURN said "so in fact there is more accountability and cheaper prices with public power and that's what PG&E doesn't want people to know."

The state's two other large investor owned utilities, Southern California Edison, and San Diego Gas and Electric are conspicuously silent on the Prop 16 issue. All of their customers will be voting on it though as will all municipal customers around the state.

But if Prop 16 passes Paul Hauser of Redding Electric says it's PG&E customers who will be impacted the most, in the form of increased rates and decreased service reliability. "If you take away even the threat of municipalization or their customers leaving how much more does that get out of control?"

<http://www.khsltv.com/content/sr/srmay10/story/Proposition-16-Part-Two-Is-two-thirds-too-high-a/qTXIGtYUq0aq4VfSObp4UQ.csp>