

RESOLUTION 5779

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEBASTOPOL OPPOSING THE PROPOSED CALIFORNIA CONSTITUTIONAL AMENDMENT BALLOT INITIATIVE ENTITLED "NEW TWO-THIRDS VOTE REQUIREMENT FOR LOCAL PUBLIC ELECTRICITY PROVIDERS"

WHEREAS, in 1997, the State of California deregulated electricity with the promise of giving consumers a choice in electricity providers, ending decades of monopolistic electricity markets. Deregulation promised lower rates and better service through increased competition; and

WHEREAS, the deregulation of electricity led to the energy crisis of 2000-2001, caused by some investor-owned electricity providers participating in market manipulation, led by Enron Corporation, which later admitted to fraudulent behavior; and

WHEREAS, the State of California rescinded deregulation resulting in the loss of consumer choice and the possibility of free-market competition in 2001, and most ratepayers again are receiving their electricity from the same monopoly electricity providers prior to deregulation; and

WHEREAS, in 2002, in response to the collapse of deregulation and its failure to provide electricity consumers with a choice of electricity providers, Assemblywoman Carole Migden authored and the California Legislation passed AB 117, which enabled communities to establish Community Choice Aggregation programs; and

WHEREAS, Community Choice Aggregation enables any city or county or combination thereof to purchase electricity on behalf of its residences and businesses, and can require a renewable energy component in excess of that of the investor-owned utility; and

WHEREAS, Community Choice Aggregation offers Californians the opportunity to choose their electricity provider and obtain a cleaner source of their electricity; and

WHEREAS, Community Choice Aggregation gives authority to participating local governments to issue municipal revenue bonds to build publicly-owned, renewable energy resources to supply electricity to their residents, thereby playing an important role in California's greenhouse gas reduction target as mandated in AB 32, California's Global Warming Solutions Act; and

WHEREAS, all debt obligations incurred by Community Choice Aggregators are payable with the electricity revenue of participating customers, and not the general funds of any of the participating cities or counties; and

WHEREAS, Community Choice Aggregation programs are mandated under law to provide electricity users in their service territory with a minimum of four opportunities to opt out

of service provision by the Aggregator and instead continue to receive service from the incumbent utility; and

WHEREAS, Community Choice Aggregation programs are certified by the California Public Utilities Commission and must comply with basic requirements for supply security, thereby ensuring public confidence in the program; and

WHEREAS, PG&E, the incumbent utility for Sonoma County, initially supported AB 117, is required under the provisions of AB 117 to fully cooperate with Community Choice Aggregators, and has a stated commitment to renewable energy, energy efficiency and climate protection; and

WHEREAS, PG&E has in recent years become an opponent of Community Choice Aggregation, and is the sole major donor to the ballot initiative campaign; and

WHEREAS, in 2005, all of Sonoma Counties cities and the County committed to a greenhouse gas reduction target of 25% below 1990 levels by the year 2015; and

WHEREAS, Sonoma County's Community Climate Action Plan identifies Community Choice Aggregation as a financing and governance mechanism that offers potentially powerful tools for achieving the County's greenhouse gas reduction target as well as for creating local green jobs and increasing energy independence, and recommends further exploration of Community Choice Aggregation; and

WHEREAS, the California Energy Commission in 2009 awarded a three-year contract to the Sonoma County Water Agency under its Renewable Energy Secure Communities program to, in part, investigate Community Choice Aggregation as one option for achieving energy independence and greenhouse gas reductions by constructing locally-owned renewable energy resources; and

WHEREAS, on May 28, 2009, a request for title and summary was made to the California Attorney General for an initiative to amend the California Constitution, entitled "New Two-Thirds Vote Requirement for Local Public Electricity Providers," which would be placed on the June 2010 ballot if sufficient signatures are collected, and a copy of which is attached hereto and incorporated by this reference; and

WHEREAS, the "New Two-Thirds Vote Requirement for Local Public Electricity Providers" adds unreasonable hurdles for California cities and counties to overcome in order to become aggregate purchasers of electricity; and

WHEREAS, the "New Two-Thirds Vote Requirement for Local Public Electricity Providers" would require submitting any Community Choice Aggregation proposal to the voters for a two-thirds vote of approval, within the proposed jurisdiction of an aggregator, and would require a two-thirds vote of approval by the voters if any type of public finance is used, including bonds, cash, income, assets or equity to implement a Community Choice Aggregation program; and

WHEREAS, the “New Two-Thirds Vote Requirement for Local Public Electricity Providers” would effectively preclude any entity from becoming an electricity aggregator as well as virtually prohibiting any existing Municipal utility, all of whom operate on non-profit, public interest basis, from entering into any new competitive market in California.

NOW, THEREFORE, BE IT RESOLVED, that the Sebastopol City Council fully supports maintaining the consumer’s right to choose energy from clean, renewable sources as provided for under the Community Choice Aggregation law; and

BE IT FURTHER RESOLVED, that the Sebastopol City Council strongly opposes “New Two-Thirds Vote Requirement for Local Public Electricity Providers” as being against the interest of California’s electricity ratepayers, against the public interest, and a potential setback for renewable energy production; and

BE IT FURTHER RESOLVED, that the Sebastopol City Council strongly urges other Community Choice Aggregation programs, cities, counties, special districts and Local Agency Formation Commissions to adopt similar resolutions opposing the “New Two-Thirds Vote Requirement for Local Public Electricity Providers”; and

BE IT FURTHER RESOLVED, that the Clerk of the City of Sebastopol is hereby directed to forward a fully conformed copy of this resolution to the Attorney General of the State of California, the California Secretary of State, the Director of the San Joaquin Valley Power Authority, the Director of Marin Clean Energy, the Executive Officer of the San Francisco Local Agency Formation Commission, the President of the Municipal Utilities Association, the Sacramento Municipal Utilities District, the League of California Cities and the County Supervisors Association of California for dissemination to their members, and the Executive Director of the California Association of Local Agency Formation Commissions for dissemination to its members.

IN COUNCIL DULY PASSED this 1st day of December, 2009.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by City of Sebastopol City Council following a roll call vote:

City of Sebastopol City Council:

Ayes: Councilmembers Robinson, Shaffer, Kelley, Vice Mayor Wilson and Mayor Gurney

Noes: None

Abstain: None

Absent: None

APPROVED: 
MAYOR

ATTEST: 
CITY CLERK MARY GOURLEY