RESOLUTION NO. 2671-10

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF WINDSOR OPPOSING THE PROPOSED CALIFORNIA CONSTITUTIONAL AMENDMENT BALLOT INITIATIVE ENTITLED "IMPOSES NEW TWO-THIRDS VOTER APPROVAL 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, lead by Enron Corporation, which later admitted to fraudulent behavior; and,

WHEREAS, in 2002, in response to the collapse of deregulation and its failure to provide electricity consumers with a choice of electricity providers the Legislature 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 become electricity purchasers for residences and businesses, and that can require a renewable energy component in excess of that of the investor-owned utility; and

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

WHEREAS, Community Choice Aggregation gives authority to participating local government 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 has a history of acting to maintain its monopoly in its service region, including opposing public power initiatives at the ballot and lobbying officials of California cities and counties against Community Choice Aggregation, in possible violation of the provisions of AB 117; and,

WHEREAS, Proposition 16 seeks to retain the monopolies of investor-owned, profit oriented utilities by adding unreasonable hurdles that cities and counties must overcome to become aggregate buyers of electricity; and,

WHEREAS, Proposition 16 would require submitting any Community Choice Aggregation proposal to the voters within the proposed jurisdiction of a proposed aggregator, and would require a two-thirds vote of approval by the voters if any type of public financing, including bonds, cash, income, assets or equity would be used to implement a Community Choice Aggregation program; and,

WHEREAS, Proposition 16 would effectively preclude any entity from becoming an energy aggregator as well as virtually prohibit any existing Municipal utility, all of whom operate on a non-profit, public interest basis, from entering into a competitive market in the State of California.

NOW, THEREFORE BE IT RESOLVED that the Town Council of the Town of Windsor,

1. fully supports maintaining consumers' right to choose energy from clean, renewable sources that the provisions of Community Choice Aggregation law provides.

2. opposes Proposition 16, the proposed California Constitutional Amendment Ballot Initiative entitled "Imposes New Two-Thirds Voter Approval Requirement for Local Public Electricity Providers" as being against the interests of California ratepayers, against the public interest, and a potential setback for renewable energy production.

3. hereby directs the Town Clerk to forward a fully conformed copy of this Resolution to the Attorney General of the State of California, the California Secretary of State, the League of California Cities, and the Marin Energy Authority.

PASSED, APPROVED AND ADOPTED this 21st day of April 2010, by the following vote:

AYES: **COUNCILMEMBERS ALLEN, GOBLE, SCHOLAR AND MAYOR SALMON**
NOES: **NONE**
ABSTAIN: **COUNCILMEMBER FUDGE**
ABSENT: **NONE**

SAM SALMON, MAYOR

ATTEST:

BRIGITTE GRAHAM, DEPUTY TOWN CLERK