[Resolution Opposing Proposed California Constitutional Amendment.]

Resolution Opposing the Proposed California Constitutional Amendment Ballot
Initiative Misleadingly Titled the “Taxpayer Right to Vote Act”, and Requesting Other
Community Choice Aggregators and Local Agency Formation Commissions Join in
Opposition.

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 which promised lower rates and better service through increased competition; 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WHEREAS, The State of California rescinded deregulation resulting in the loss of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
now receive their electricity from the same monopolistic electricity providers prior to
deregulation; and

WHEREAS, The deregulation of electricity led to the energy crisis of 2000-2001,
caused by the investor-owned, profit-driven electricity providers participating in market
manipulation, led 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, Assemblywoman Carole
Migden authored and the California 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 require a
renewable energy component in the portfolio of electricity purchased; and

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

Supervisor Mirkarimi
Local Agency Formation Commission
WHEREAS, Community Choice Aggregation Programs are regulated by the California Public Utilities Commission which enforces strict guidelines on cities and counties wishing to become aggregate buyers of electricity, thereby ensuring public confidence in the program; and

WHEREAS, In 2007, the Board of Supervisors of the City and County of San Francisco voted to make San Francisco a Community Choice Aggregation and approved a Draft Implementation Plan for Community Choice Aggregation; and

WHEREAS, The Draft Implementation Plan sets the goal of having 51% of the City’s electricity provided by clean and renewable energy resources by the year 2017; and

WHEREAS, The San Francisco Public Utilities Commission (SFPUC) is on schedule to issue, by October 2009, a Request for Proposals to private-sector energy service providers who can supply clean, renewable energy to the citizens of San Francisco under the SFPUC’s Community Choice Aggregation Program, known as Clean Power SF; and

WHEREAS, Clean Power SF is the next, very important step in bringing competition back to the energy market, as well as expanding green-collar jobs and boosting the private-sector renewable energy industry; and

WHEREAS, PG&E has a history of acting to maintain its monopoly in its service region, including opposing public power initiatives on the ballot and lobbying officials of California cities and counties against Community Choice Aggregation, in apparent violation of the provisions of AB 117; 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, preliminarily and deceptively titled the “Taxpayers Right to Vote Act”, which would be placed on the ballot if sufficient signatures are collected, and a copy of which is attached hereto and incorporated by this reference; and
WHEREAS, The “Taxpayers Right to Vote Act” seeks to retain the monopolies of investor-owned, profit driven utilities in circumvention of the provisions of AB 117, which require investor-owned utilities to fully cooperate with Community Choice Aggregators, by adding unreasonable hurdles for California cities and counties to overcome in order to become aggregate purchasers of electricity; and

WHEREAS, The “Taxpayers Right to Vote Act” 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 requires 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 “Taxpayers Right to Vote Act” would effectively preclude any entity from becoming an electricity aggregator as well as virtually prohibiting any existing Municipal utility, all of whom operate on a non-profit, public interest basis, from entering into any new competitive market in California; and now, therefore, be it

RESOLVED, That the San Francisco Local Agency Formation Commission fully supports maintaining the consumer’s right to choose energy from clean, renewable sources that the Community Choice Aggregation law provides for; and be it

FURTHER RESOLVED, That the San Francisco Local Agency Formation Commission strongly opposes the “Taxpayers Right to Vote Act' 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 San Francisco Local Agency Formation Commission strongly urges the Attorney General, if the initiative qualifies for the ballot, to assign a title to the initiative which accurately reflects the spirit and intent to restrict competition from non-profit, publicly owned utilities by virtually assuring an investor owned utility monopoly on California’s energy markets; and be it

FURTHER RESOLVED, That the San Francisco Local Agency Formation Commission strongly urges other Community Choice Aggregation Programs, cities, counties, special
districts and Local Agency Formation Commissions to adopt similar resolutions opposing the misleadingly titled "Taxpayer Right to Vote Act"; and be it

FURTHER RESOLVED, That the Clerk of the San Francisco Local Agency Formation Commission 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 Joint Powers Authority, the Director of Marin Clean Energy, the President of the Municipal Utilities Association the Sacramento Municipal Utility District, the League of California Cities and the County Supervisors Association of California for dissemination to its members, and the Executive Director of the California Association of Local Agency Formation Commissions for dissemination to its members.

On a motion by Commissioner Bevan Dufty, seconded by Commissioner David Campos, the foregoing Resolution was passed and adopted by the SAN FRANCISCO LOCAL AGENCY FORMATION COMMISSION, State of California, this 26th day of June, 2009, by the following vote, to wit

AYES:    Chairperson Mirkarimi, Commissioners Campos, Dufty, Mar and Bornstein
NOES:    None
ABSTAIN: None
ABSENT:  Commissioner Schmeltzer

Ross Mirkarimi, Chairperson
SAN FRANCISCO LOCAL AGENCY FORMATION COMMISSION

ATTEST:

Nancy Miller
Interim Executive Officer

Supervisor Mirkarimi
Local Agency Formation Commission