

## PG&E irks PUC over energy flap in Marin

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California regulators on Monday bluntly warned Pacific Gas and Electric Co. that some of its actions to undermine Marin County's new public power program break state rules and must end - immediately.

PG&E has waged an aggressive campaign asking county residents not to join the Marin Energy Authority, a new type of public power agency that will begin delivering electricity to its first customers on Friday. Acting on complaints from Marin officials, the California Public Utilities Commission last month warned PG&E to tone down some of its tactics.

But on Monday, the commission's executive director sent PG&E a sternly worded letter saying that key elements of the company's campaign violate state regulations. AB117 - the 2002 California law that created this kind of public power agency - requires traditional utilities such as PG&E to cooperate with the new energy providers, not block them.

"The Commission - and PG&E - must comply with the entirety of AB117, not just selected portions," wrote Executive Director Paul Clanon.

He warned that the utility's phone calls and newspaper ads asking Marin residents to opt out of the program don't follow proper procedures and must end immediately. Any residents who have been removed from the Marin Energy Authority's customer list as a result of those calls and ads must be identified and informed that they have not properly opted out of the authority's service.

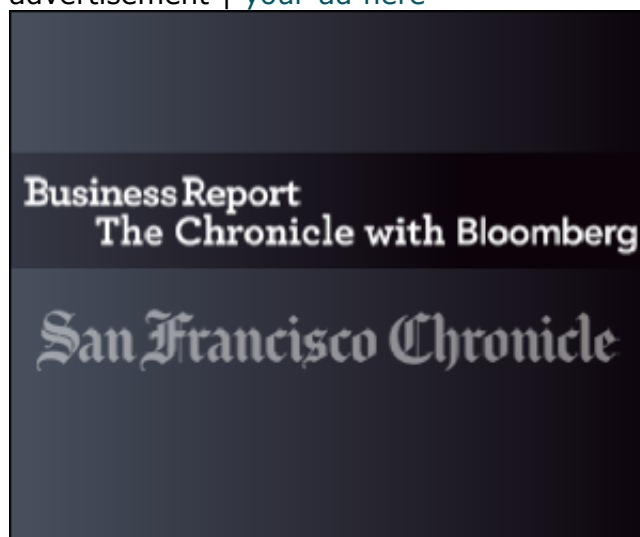
"We are currently reviewing the letter from the CPUC and will respond in the coming days," said PG&E spokesman Andrew Souvall.

San Francisco's PG&E could face a fine if it doesn't follow the commission's orders, Clanon said Monday in an interview. He said, however, that he hopes the company will choose to cooperate instead.

### Fights over power

PG&E, California's largest utility, is locked in a bitter fight over public power efforts both at the local level and across the state.

In both Marin County and San Francisco, the company has resisted efforts to create new "community



choice aggregation" agencies in which cities or counties buy electricity on behalf of residents. PG&E has also poured \$30 million into a ballot measure - Proposition 16 - that would force local governments interested in entering the public power business to win the approval of two-thirds of their voters first.

Under state law, residents of any community that launches a community choice aggregation service will automatically become customers of that service unless they take steps to opt out. So PG&E has been phoning Marin County residents, urging them to opt out, and then transferring them to a call center to remove them from the Marin Energy Authority's customer list.

That practice must end, Clanon warned.

### **Limited procedures**

California regulations, he wrote, give each community choice aggregation program the right to set the procedures under which customers will opt out, choosing from a limited menu of procedures approved by the state. The Marin Energy Authority established two means of opting out: customers could call a specific number or visit a specific Web site. Any opt-outs that PG&E solicited through its phone calls, therefore, are invalid, Clanon wrote.

Similarly, PG&E newspaper ads in the Marin Independent Journal have included opt-out forms that Marin County residents could mail back to the company. Those, too, are invalid, Clanon wrote. PG&E must work with the utilities commission to identify those residents and inform them of the proper ways of opting out. The exact number of residents who must be contacted isn't yet known.

The larger point, Clanon said in the interview, is that the company must start cooperating fully with the energy authority, as state law requires.

"If you are the utility acting in ways that look like they're designed to kill the CCA, that doesn't look like full cooperation to me," he said.

Marin County Supervisor Charles McGlashan, who serves as the energy authority's chairman, said the authority will launch on Friday as planned.

"We've got enough customers to go live, and then other customers can be added on as we clean up this PG&E mess," he said.

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<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2010/05/04/MNT21D8U4H.DTL>

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