

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE CALLING FOR THE CALIFORNIA PUBLIC UTILITIES COMMISSION AND THE UNITED STATES BANKRUPTCY COURT TO FULLY CONSIDER A PROPOSAL TO TRANSFORM PACIFIC GAS AND ELECTRIC COMPANY INTO A CUSTOMER-OWNED UTILITY.**

**WHEREAS**, Californians have experienced a dystopia of alternating wildfires and blackouts that have displaced hundreds of thousands of residents, and disrupted the daily lives and livelihoods of millions more; and

**WHEREAS**, devastating blazes such as the Kincade Fire and the Camp Fire appear to have resulted from failed Pacific Gas and Electric Company (“PG&E”) infrastructure, following a decade in which the company distributed billions to shareholders, but chronically underinvested in basic maintenance and safety; and

**WHEREAS**, rate payers, including businesses and residents, critically need a utility company focused on placing the provision of reliable, safe, and affordable power above the interests of its shareholders; and

**WHEREAS**, any solution to this crisis will require access to tens of billions of dollars in capital markets to invest in maintenance, capital upgrades, and grid hardening; and

**WHEREAS**, a customer-owned utility would benefit from dramatically lower capital costs than PG&E does today, due in part to its lack of obligation to pay dividends to shareholders nor federal taxes; and

**WHEREAS**, by saving billions in interest payments, a customer-owned utility could devote more of its resources to improving the company's maintenance, infrastructure, and service; and

**WHEREAS**, the federal Bankruptcy Code and state law vest the California Public Utilities Commission ("CPUC") with the responsibility for approving any Plan of Reorganization for PG&E that emerges from bankruptcy court, particularly where that Plan requires rate increases or access to the Wildfire Fund; and

**WHEREAS**, the bankruptcy court is considering two plans before it, developed in the Chapter 11 proceeding by two sets of hedge funds with competing Reorganization Plans that reflect their proponents' interests in extracting investor value, through short-term financial gain, that will leave the company underinvesting in critical maintenance, safety, and infrastructure improvements; and

**WHEREAS**, mayors and other local leaders across Northern and Central California, collectively representing more than six million residents, have publicly urged the CPUC to consider the exploration of a customer-owned utility; and

**WHEREAS**, hundreds of utility cooperatives, several with billions in revenues, currently serve more than 40 million customers in the United States, at much lower costs of capital than investor-owned utilities; and

**WHEREAS**, while investor-owned utilities can offer a successful model in many contexts, the growing crisis of wildfires and increasing frequency of large, multi-billion-dollar losses demands a more sustainable ownership model for the company's operations;

**NOW, THEREFORE,** BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City of San José calls for the California Public Utilities Commission and the United States Bankruptcy Court to fully consider a proposal to transform Pacific Gas and Electric Company into a customer-owned utility.

ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2019, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

---

SAM LICCARDO  
Mayor

ATTEST:

---

TONI J. TABER, CMC  
City Clerk