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Frequently Asked Questions

What does “public power” mean?

VCE’s board is studying the potential acquisition of PG&E’s local electric distribution facilities in Yolo County as a way to provide safer, cleaner, more reliable, and affordable electricity service to its customers. Such an acquisition, in which a community manages both distribution and generation of its power supply, is commonly known as “public power.”

Why is VCE looking into it at this time?

PG&E’s safety failures and subsequent bankruptcy filing provide a unique opportunity to explore new options for VCE’s electricity program, in order to foster optimal safety, cost control, and many other customer benefits. As stated in the Governor’s April 12, 2019 Energy Strike Force report, “After years of mismanagement and safety failures, no options can be taken off the table to reform PG&E, including municipalization of all or a portion of PG&E’s operations...” The PG&E bankruptcy affords an ideal opportunity to determine whether a public power electric service approach might provide greater control, benefits and safeguards to our communities. The VCE Board believes that performing the due diligence on this opportunity for expanded local control is a responsible step for our communities.

Is public power a proven model?

Publicly owned power systems have been successfully operating in California and across the nation for decades. Nationally, there are thousands of public power systems that have added resilience to the grid and cost savings for their customers. Closer to home, publicly owned systems include Redding, Roseville, Lodi, Healdsburg, Ukiah, Biggs, Gridley, and SMUD, which are just a few examples of proven, locally accountable and responsive public power organizations. There are currently 54 publicly owned power systems in California serving almost a third of Californians.

VCE will evaluate the benefits and risks of public ownership, governance and operation of power distribution facilities. Studies show that these public power entities are able to provide both better reliability and substantial cost savings for their local customers.

Are other CCA programs considering this option?

Other cities and public agencies including San Francisco and South San Joaquin Irrigation District (SSJID) in the greater Manteca/Ripon/Escalon area are conducting similar investigations.

What stage are we at now?

VCE is in preliminary exploration stages, working with energy experts to guide fact-finding and further identify local distribution ownership benefits and challenges. We will be issuing news releases, creating a dedicated page on our website, and providing regular updates at VCE’s public Board meetings to allow our customers and community members to track our progress.

What are the advantages?

The objectives of all public power systems are the same: advancing system safety, enhancing equipment standards, protecting our environment, and promoting rate stability to benefit all power customers. This is possible by eliminating PG&E's profit motive, which otherwise diverts millions of dollars every year away from our communities into shareholders' accounts. VCE believes these profits are much more productive when reinvested to benefit local electricity reliability and cost savings for customers.

What are the risks?

There are significant operational and financial risks in owning and controlling the local distribution system—these include safety concerns, climate impacts, cyber-security, and system outage considerations. Ultimately, a new distribution utility could work with community advisors, other public utilities and industry experts to develop and implement a robust risk management approach specifically tailored to address these business operational risks and exposures. A key opportunity to reduce risk is to eliminate profit diverted to PG&E stockholders and redeploy these funds that currently leave the system to advance local maintenance, safety investments and more responsible management practices. There are literally thousands of existing state- and nation-wide public power utilities demonstrating the practicality and success of publicly owned power facilities.

Could a local Public Power Program make us safer?

A local public power system would face the same natural disaster and climate risks that confront PG&E. Our focus, however, would be on risk reduction through aggressive maintenance and responsible tree trimming standards, utilizing higher quality equipment with responsive safety mechanisms, and by listening and responding to our customers in hazard-prone areas to help prevent disasters before they occur. Our goal would be to respond more swiftly and effectively when they do occur. These are all hallmarks of existing public power systems which we would seek to emulate.

What happens next?

VCE's exploratory process will weigh the expected costs and benefits of public power and assess potential risk associated with community ownership of the local distribution system. If supported by the local feasibility analysis and due diligence, a proposal to acquire PG&E's local electricity distribution system and associated infrastructure will be submitted for consideration by the Bankruptcy Court. If ultimately accepted, funds paid would be used to help offset PG&E's debt obligations associated with the wildfires caused by PG&E, along with its other financial obligations. It is expected that this process would play out over the next year or two.