



**Sustainable Systems Research Foundation, Inc.**  
2861 Mission St., Suite 247  
Santa Cruz, CA 95060  
Phone: 831-708-5836  
sustainablessystemresearch@gmail.com  
<https://sustainablessystemsfoundation.org/>

### **Six propositions on the need for public power**

1. Two decades into the 21<sup>st</sup> century, we are still living with the institutional arrangements of the early 20<sup>th</sup> century, which countenanced monopoly utilities in return for public regulation of their prices and tariffs. This system was long ago captured by private utilities and needs to be changed.
2. One hundred years ago, electricity was regarded as something similar to a public good that could not be subjected to pure market forces. Monopolies such as PG&E's offered a stable, reliable and regulated rate of return on investors' holdings which is why they were called "blue chip stocks." Today, private utilities are driven purely by profit motives which leads them to underinvest in system maintenance and safety.
3. PG&E is no longer very much of an electricity generator; it is now primarily a distributor through its grid network, which will require tens of billions of dollars to upgrade and made safe. But the State of California would be very foolish to acquire PG&E's properties, rescue its shareholders from bankruptcy and run the power system itself, taking on massive associated liabilities.
4. As people moved out of cities and into rural areas where they are now exposed to risks from fires, utilities followed as part of their mandate to provide universal service. Such service is very expensive, and customers pay little or no risk premium for the fact that it is also vulnerable to fires. Electricity rates ought to reflect these risks, which would force customers to decide what kind of power supply they want most. Local public control of electricity provision would facilitate such decisions.
5. Public power already exists in the form of Community Choice Aggregators, such as Monterey Bay Community Power. These entities are buying and delivering power locally to customers, but they could also begin to generate their own power through local microgrids. Such microgrids could reduce fire and outage risks, since those decisions would be made locally rather than some board office in San Francisco.
6. A radical transformation in the provision of electricity is underway, although it will not be realized for several decades unless there is concerted public and political action to make it happen sooner. You, and the public, need to mobilize, pressure state and local governments, and demand action as soon as possible.