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VALLEY CLEAN ENERGY BOARD ANSWERS GOVERNOR'S CALL, AUTHORIZES OFFER TO PURCHASE PG&E ASSETS

Yolo County, CA – The board of Yolo County's clean power agency has submitted a \$300 million bid to purchase Pacific Gas & Electric's lines and poles and other electricity distribution assets within Yolo County. The purchase would enable the creation of a locally owned and operated public utility that the Board has concluded would result in a more successful, efficient and safe electricity system.

Following the announcement this summer of its intent to examine the purchase of local PG&E assets and after months of study and review with expert consultants, the Valley Clean Energy Board of Directors submitted a non-binding offer today (Oct. 18) to purchase PG&E's assets. Valley Clean Energy's offer would ultimately be subject to approval by the federal court handling the PG&E bankruptcy case.

Valley Clean Energy is a public agency that currently purchases electricity under a joint powers agreement for the cities of Woodland and Davis and unincorporated Yolo County, but relies on PG&E's distribution system to bring that power to its customers. Purchase of the local PG&E power poles and lines would allow for the creation of a Yolo County based public utility similar in nature to those found in Lodi, Roseville, Sacramento (SMUD), and other communities across the state.

Circumstances surrounding PG&E's January bankruptcy filing have created this unique opportunity to reimagine a more successful, efficient and safe electricity system in Yolo County and other areas of PG&E's service territory.

"We have taken an important step toward local energy independence by submitting an official non-binding offer letter to PG&E of \$300 million for the acquisition of PG&E's power delivery infrastructure in Yolo County," said Valley Clean Energy Board Chair and City of Woodland Council member Tom Stallard. "Our analysis was conducted by seasoned professionals and we believe the offer is competitive, fair and equitable."

Valley Clean Energy's efforts are supported by recent statements by Governor Newsom who is encouraging local jurisdictions to pursue acquisition of PG&E's local electrical lines. In reference to San Francisco's recent offer to buy PG&E assets, the Governor was quoted as

saying, “I back more competition. I am very specifically encouraging others to come into this space and to make some bids. We want to create a competitive space— and all of it with an eye on different approaches.”

PG&E’s bankruptcy protection filing in January 2019 created an opportunity for community choice energy agencies such as Valley Clean Energy, along with other public agencies, to determine whether a “public power” electric service approach might provide greater control, benefits and safeguards to California communities.

“The transfer of PG&E’s electricity assets will aid PG&E’s financial stability and contribute to fire victim recovery settlements while helping Valley Clean Energy expand upon its efforts to provide reliable, safe, clean and affordable electricity to the residents and businesses of Yolo County,” added Valley Clean Energy Vice Chair and Yolo County Board of Supervisor member Gary Sandy. “Bottom line, our offer makes financial and environmental sense.”

“Control of the power poles and lines in Yolo County would allow us to make local investment decisions that could mean a safer electricity system and provide benefits for both customers and the environment,” Valley Clean Energy board member and Davis City Council member Lucas Frerichs said. “We want this process to be as smooth as possible and will work with all concerned parties to ensure that transitioning from an investor owned model to a municipally owned utility is beneficial to consumers, businesses, and employees that would be served by our new utility.”

The decision to pursue acquisition of PG&E’s electric distribution assets is not unique to Valley Clean Energy; the City and County of San Francisco announced a \$2.5 billion offer on September 9th for PG&E’s infrastructure within its geographic boundaries.

Additionally, on September 3rd the South San Joaquin Irrigation District, a water agency in the heart of the state’s agricultural region that tried to buy PG&E distribution facilities in 2006 and 2016, formally renewed its offer to purchase PG&E distribution system assets as part of the current bankruptcy proceeding. And yesterday, San Jose Mayor Sam Liccardo announced his proposal to investigate the formation of a public utility for his City in the wake of the recent PG&E power shutoffs.

While the cost and responsibility of operating and upgrading an electrical distribution system is significant, many proven examples indicate that public ownership of power facilities is practical. A total of 54 public power utilities currently serve almost one-third of Californians.

Valley Clean Energy currently procures power for over 150,000 residential and commercial electricity customers in Woodland, Davis and unincorporated Yolo County. However, customers currently pay PG&E for the distribution of that power to their homes and businesses using the infrastructure Valley Clean Energy has now offered to acquire.

Having full control over both electricity distribution and generation can help achieve Valley Clean Energy’s stated goals of providing cost-competitive clean energy, product choice, increased energy efficiency and price stability.

The PG&E Bankruptcy process does not have a specific timeline but is anticipated to conclude in 2020. In the meantime, using other existing publicly owned utilities as models, the Valley Clean Energy Board will be considering possible agency structure, operational, and financing options.

For more information about Valley Clean Energy, visit www.valleycleanenergy.org or call Jim Parks, Valley Clean Energy's Customer Outreach and Programs Director at 530-446-2750.

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About Valley Clean Energy: Valley Clean Energy is a not-for-profit public agency formed to provide electrical generation service to customers in Woodland, Davis, and the unincorporated areas of Yolo County. Our mission is to source cost-competitive clean electricity while providing product choice, price stability, energy efficiency, greenhouse gas emission reductions and reinvestment in the communities we serve.