



1918 UNIVERSITY AVENUE, 2ND FLOOR BERKELEY, CA 94704  
PHONE: (510) 926-4000 FAX: (510) 926-4010 <http://www.greenlining.org>

May 4, 2010

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Peter A. Darbee  
President & CEO  
Pacific Gas & Electric Corp.  
One Market, Spear Tower  
Suite 2400  
San Francisco, CA 94105-1126

**The Greenlining Institute Opposes Proposition 16**

Dear Peter,

Until now the Greenlining Institute has stayed neutral in the debate on Proposition 16. However, we have conveyed that our position was neither static nor silent. To the contrary, we have communicated to numerous stakeholders in the Proposition 16 debate that Greenlining had many questions that we needed help answering.

We have asked the same two questions of all stakeholders. First, “What impact could Proposition 16 have on low-income and underserved communities?” Second, “If Proposition 16 does **not** pass what impacts could Community Choice Aggregations (CCAs) have on low-income and diverse communities?”

We have offered a number of suggestions as to how stakeholders can better account for the impacts and consequences of Proposition 16-related policies on California’s minority, low-income, and underserved communities. We have raised our questions and concerns with members of the media, in public testimony before the CPUC, and especially, in direct conversation with representatives of PG&E.

Given the uncertainty as to how Proposition 16’s passage would benefit low-income and minority communities, **Greenlining strongly opposes Proposition 16.**

The diverse and growing coalition of stakeholders opposing Proposition 16 have provided powerful evidence pointing to the many negative impacts that this ballot measure, if passed, would have on the state as a whole, and on California’s underserved communities in particular. In contrast, a number of organizations have also demonstrated to us the many benefits that low-income communities could attain with CCAs.

## **Community Choice Aggregations Demonstrates Benefits for Underserved Californians**

Greenlining has approached both sides of the Proposition 16 debate objectively. Proposition 16's opponents have made compelling, and ultimately convincing arguments backed by sound evidence. PG&E has not.

Furthermore, those opposing Proposition 16 have generated an incredible coalition, while including and accounting for the perspectives and interests of California's most underserved communities.

For example, the "Community Development" approach to an East Bay CCA advocated by the Local Clean Energy Alliance could achieve deep and meaningful reinvestment in low-income communities. In this proposal, an East Bay CCA would maximize opportunities for local community solar, regional wind, clean co-generation, energy efficiency, conservation, and demand response to reduce consumption. The Community Development approach prioritizes local renewable energy generation, leading to both local greenhouse gas reductions and local green job creation. As envisioned, an East Bay CCA would especially prioritize green job creation among other economic, health, and environmental benefits for low-income and underserved communities.

### **Proposition 16 Lacks Substantive Support**

Greenlining has seen few credible stakeholders that have supported Proposition 16 on the ballot's own merits, including the notable absence of California's other major investor owned utilities (IOUs): Southern California Edison, Sempra, and San Diego Gas & Electric. If California's other major IOUs do not have the confidence to support what would be a statewide policy, it is questionable whether this policy can be prudently applied across the entire state.

Greenlining is well aware of PG&E's assertion that it counts on a "coalition of taxpayers, business and labor" for support of Proposition 16. However, it seems the Proposition 16 "coalition" is based more in window-dressing than in substance. The No on 16 Coalition includes the support of some of the most prominent leaders in business, environmental justice, labor unions, elected officials, and more than 30 counties and municipalities as well as the editorial boards of virtually every major newspaper in California.

**Proposition 16 Would Undermine AB 32 and is Inconsistent with PG&E's Leadership**

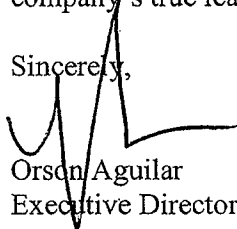
We appreciate and applaud PG&E's efforts in Congress and in California to support climate change legislation such as AB 32, the California Global Warming Solutions Act. However, Greenlining believes that Proposition 16 would actually contradict and impede PG&E's own efforts and commitments to further AB 32.

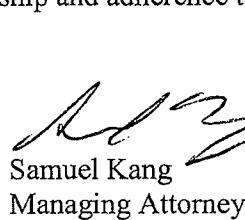
Greenlining believes that in order to continue to cooperate with PG&E to both advance and defend AB 32, we must guard and steward the principles of this law above the assumed intentions of incongruent ballot propositions, including Proposition 16. PG&E has been a leader to increase diversity among its suppliers, workforce, executives and board of directors. We also congratulate PG&E's leadership in contributing almost 80% of its pre-tax philanthropic dollars to organizations benefiting underserved communities.

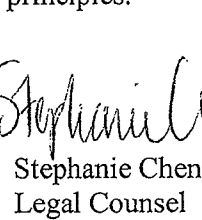
Proposition 16 is wholly inconsistent with PG&E's leadership regarding AB 32 and its own stated principles as a corporate citizen. Consequently, Greenlining must oppose Proposition 16.

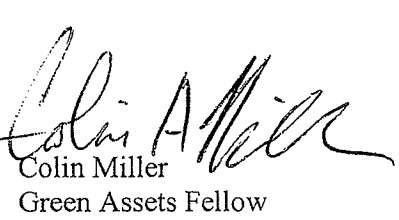
Greenlining looks forward to working with PG&E in an effort that better reflects the company's true leadership and adherence to its principles.

Sincerely,

  
Orson Aguilar  
Executive Director

  
Samuel Kang  
Managing Attorney

  
Stephanie Chen  
Legal Counsel

  
Colin Miller  
Green Assets Fellow

Cc: Governor Arnold Schwarzenegger  
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