

RESOLUTION NO. 2010-22

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
SETTING FORTH THE POSITION OF THE SOUTHERN
CALIFORNIA PUBLIC POWER AUTHORITY OPPOSING
PROPOSITION 16.**

WHEREAS, the "New Two-Thirds Requirement for Local Public Electricity Providers" initiative ("the initiative") has qualified for the June 2010 ballot as Proposition 16; and

WHEREAS, if adopted, the Proposition 16 initiative would require a publicly owned electric utility to obtain a two-thirds voter approval prior to incurring indebtedness or expending funds for to "expand electric delivery service"; and

WHEREAS, this initiative would define expansion of electric delivery service to include transmission or distribution of electric power to retail end use customers even within existing boundaries of a publicly owned electric utility, unless such utility is the "sole provider" of electricity within its boundaries; and

WHEREAS, the initiative will require a two-thirds vote, not only of voters within new territory to be served by a publicly owned electric utility, but also a two-thirds vote of voters within existing territory prior to expansion of service outside the current boundaries of a publicly owned electric utility, even when such expansion or annexation has been approved by a local city council, the applicable Local Agency Formation Commission, and approved by such vote as required by the Cortese-Knox-Hertzberg Local Government Reorganization Act, thereby making it likely that many publicly owned electric utilities will be unable to expand-thereby dividing cities into publicly served and privately served spheres; and

WHEREAS, if adopted, this initiative would also have a potentially significant impact on local government costs and revenues due to its potential effects on the electricity rates and operations of SCPPA's members; and

WHEREAS, the effect of this initiative, if adopted, upon many local publicly owned electric utilities, would be very substantial and would create significant fiscal and environmental impacts to local governments having publicly owned electric utility systems;

NOW THEREFORE BE IT HEREBY RESOLVED that the Board of Directors of the Southern California Public Power Authority, on behalf of this Joint Powers Authority, does hereby oppose Proposition 16, the proposed "New Two-Thirds Requirement for Local Public Electricity Providers".

This Resolution shall become effective immediately.

THE FOREGOING RESOLUTION is approved and adopted by the Authority
this 18th day of March, 2010.



PRESIDENT
Southern California Public
Power Authority

ATTEST:



ASSISTANT SECRETARY
Southern California Public
Power Authority