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# Pulling the Plug on PG&E

*California's recent blackout shows how desperately we need to replace private utilities with community-controlled, publicly owned, green energy systems.*

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Pacific Gas & Electric recently announced that it has agreed to pay \$11 billion to a group of insurance companies representing claims from the Northern California wildfires in 2017 and 2018. (AP Photo / Santa Barbara County Fire Department, Mike Eliason)

Earlier this month, nearly 2 million Californians were hurt by a “planned” power shutoff by Pacific Gas and Electric (PG&E), a private utility company. The shutoff was part of a botched wildfire management strategy to prevent transmission lines neglected by the company for years from catching fire. Customers received only 24 hours’ notice for a shutoff that lasted up to four days, during which grocery stores sat empty, cleared of basic supplies, and schools were closed. The residents of Paradise, California, displaced just one year ago by massive fires that destroyed their town and killed dozens, found themselves without electricity once again. Thirty thousand of those affected have medical needs that require access to electricity, putting them in harm’s way.

PG&E has been the region’s main electricity provider since 1852, and its history has been marred by mismanagement and corporate greed for decades. It was bailed out by the state in 2000 and again in 2018. In recent years, its blatant political capture, leading to scant regulation and little regard for the devastating effects of a changing climate, has Californians questioning if PG&E can reliably provide a core public service like electric power.

That skepticism is, in turn, fueling serious momentum for an alternative to the investor-owned model, in California and around the nation: a new, community-controlled, publicly owned energy system grounded in renewable energy, democratic governance, and decentralization.

What’s wrong with PG&E? It’s hard to know where to start. *The Wall Street Journal* described PG&E’s Chapter 11 bankruptcy last year as the “first major corporate casualty of climate change,” but this description paints PG&E as an innocent victim, rather than the cold villain it is. PG&E was an early investor in climate change denial, sponsoring the deceptively named Global Climate Coalition to stall carbon regulation for decades. This denial, accompanied by decades of infrastructure disinvestment—PG&E instead opted for sky-high CEO salaries and investor payouts—laid the groundwork for ever-more-extreme wildfires and shutoffs threatening the customers it claims to serve.

The utility company has also benefited richly from state capture. With its tremendous lobbying power—it holds some of the state’s top former lawmakers on retainer—Governor Gavin Newsom pushed through a massive PG&E bailout bill this summer, shielding the utility from future wildfire liability. In fact, the bailout (largely shouldered by customers) mandates that PG&E pay back only a minuscule portion of the damage claims related to its negligence. It amounts to \$2.5 billion over a three-year period: the estimated economic damage caused by the blackouts alone.

To add insult to significant injury, company executives aren’t letting their troubles change their lavish lifestyles. On October 9, the day before planned shutoffs began to roll out across the Bay Area, a dozen top executives in PG&E’s natural gas division wined and dined high-end customers at a private Sonoma County vineyard. This came two years after local courts convicted PG&E of six felony charges for the San Bruno gas pipeline explosion that killed eight people and destroyed a neighborhood. The execs’ bacchanal sent a clear message: PG&E enjoys the spoils of extraction, while those most vulnerable to the climate crisis suffer without access to electricity, bearing the brunt of an antiquated energy system.

It’s important to note that these wildfires and blackouts are not an inevitable result of climate change. They are the predictable outcome of an energy utility that favors generating returns for

shareholders over delivering safe power to ratepayers, and which has both actively resisted the energy transition and subjugated customers to skyrocketing bills and shoddy infrastructure.

It need not be this way. Alternatives are waiting, and their proponents are growing in number with every outrageous move by PG&E.

California's forthcoming Utility Justice Campaign presents an opportunity to move from a centralized energy system dominated by monopolies like PG&E and other for-profit interests—where energy travels hundreds of miles on faulty transmission lines—to a decentralized energy system owned by and operating in the public interest. “We are fighting for an equitable, democratized, and decentralized energy model in California where the development, ownership, and control of energy and services are public and community-based, because we believe that ultimately that will result in a system that is more resilient and responsive to Californians,” says Nishi Sheorey, an organizer with the group.

The call for public ownership of energy resources in California has built steadily since last year's devastating wildfires, when activists disrupted a California Public Utilities Commission hearing with a call to stop bailing out PG&E (again) and transition to democratized power. Since then, activists have advanced a resolution for a state-run utility and San Francisco offered to buy out PG&E's infrastructure.

Others are pursuing Community Choice energy programs, an already flourishing form of public energy provider in California serving 11 million customers, in which local governments pool customers and control procurement of electricity. Almost 40 long-standing publicly owned utilities already operate in California, such as the Sacramento Municipal Utility District.

In Chicago, the City Council is investigating municipalization as its contract with Commonwealth Edison comes up for renewal next year. The initiative was introduced by recently elected Democratic Socialists of America City Council member Daniel Le Spata, and supported by 22 of the 50 aldermen. A coalition of New Yorkers, including DSA and the Energy Democracy Alliance, have mobilized aggressive campaigns for public power following widespread outrage when Con Edison cut power to majority-black neighborhoods during a deadly heatwave. A bipartisan grassroots campaign in Maine, CMP Ratepayers Unite, is advancing legislation to kick out Central Maine Power after years of exorbitant and escalating bills. Boulder, Colorado, home to one of the first climate justice-oriented municipalization campaigns, just received approval in early October to acquire assets from investor-owned Xcel Energy.

Utilities have even become part of the national political discussion. Vermont Senator Bernie Sanders's climate plan proclaims that “the renewable energy generated by the Green New Deal will be publicly owned.” And Massachusetts Senator Elizabeth Warren's recent Environmental Justice Plan seeks to offer new community and public ownership incentives to governments long blocked out of renewable energy investment.

Public or cooperative ownership will not magically fix all the problems with utilities. Many public utilities have hurt the poor and disincentivized solar ownership, and have retained a largely centralized energy system that lessens local control. Decades of austerity politics have dried up public funds and corporatized public institutions so they resemble their private

counterparts. Shifting the gears in this machine will take steady campaigning and activism, seeking to (re)democratize public and cooperative utilities and hold those institutions accountable. But public ownership offers far more recourse and potential levers of control to actualize that shift than a private model based on profit maximization for absentee investors.

Advocates of public ownership regard it not as an end in itself but as a strategy that goes beyond lowering carbon emissions to ensuring that the gains of a new energy model are equitably distributed. The institutions created through these public power campaigns also advocate for a radically different design from past utilities. For instance, in the wake of Hurricane Maria—which left most of Puerto Rico without power for months and tested its publicly owned utility PREPA, known for its corruption and mismanagement—Queremos Sol (a coalition of grassroots activists, PREPA workers, professors, and environmental nonprofits) put together a transformative, concrete design for such a grid. The coalition defends its public power and frames energy as a human right, putting forth a detailed vision of a decentralized renewable-energy system and a rigorous plan for a more democratized, accountable PREPA that builds community wealth and designs for resiliency.

Whether the apocalyptic scenes are of floods in Puerto Rico or fires in California, the rebuilding does not have to reconstruct a structure of corporate exploitation and climate destruction. Communities and campaigns are redesigning and rethinking the energy system to center justice, to respond to those most vulnerable to climate impacts, and to rapidly decarbonize electricity. Doing so means disrupting the institutions that have failed them and building something better and more accountable—a public system that actually provides a public good.

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