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January 14, 2025

Board of Supervisors

Subject: Recommendation by Supervisor Gorell to direct staff to evaluate the feasibility of establishing a not-for-profit municipal utility district to serve Ventura County, providing a public alternative to Southern California Edison.

Recommendation:
Staff should evaluate the feasibility, costs and benefits of establishing a municipal utility, considering:

- Case studies from other California communities.
- Legal and regulatory requirements.
- Potential service improvements and cost savings for residents and businesses.
- Governance structures that ensure transparency and accountability.

Additionally, staff should provide recommendations on the potential advantages of contracting with consulting firms experienced in successfully guiding other municipalities through the public utility process. This analysis should emphasize how these firms' expertise could benefit the county and contribute to a successful implementation. This analysis should also explore partnerships and public-private collaboration opportunities to support a smooth transition if a municipal utility is deemed viable.

Discussion:

Southern California Edison has repeatedly demonstrated that its business model—a for-profit, regulated corporation—fails to meet the basic standards of transparency, communication and service reliability that our community deserves. Driven by profit motives rather than the public good, this model lacks the accountability and responsiveness that a municipally driven utility could provide.

The concept of a municipal utility is not new. Many communities across California have established successful public utilities, offering reliable, transparent, and community-focused energy services. These examples illustrate that a municipally driven utility can be an effective alternative to the corporate utility model, prioritizing the needs of residents over shareholder interests.

To better understand the case for exploring this option, the following key points outline Edison's systemic and historical failures and the potential benefits of transitioning to a not-for-profit municipal utility:

1. **Systemic and Conceptual Failures of Edison**

Edison's failures are rooted in its profit-driven business model, which prioritizes shareholder interests over community needs. This systemic approach results in:

- **Ineffective Communication and Lack of Transparency:** Edison has repeatedly failed to clearly communicate with the public regarding the duration of planned and unplanned outages. Residents are often left without timely information or justification for power cuts, eroding public trust.
- **Accountability Issues:** As a for-profit corporation, Edison is not directly accountable to the public, exacerbating frustrations over service failures and limiting responsiveness to community concerns.

2. Recent Examples of Communication Failures

- In recent interactions, Ventura County officials have sought clarification and accountability from Edison on critical matters, only to encounter insufficient responses or complete disengagement. These failures highlight the inherent weaknesses of Edison's governance and operational model, which prioritizes corporate interests over transparency and public service.

3. Benefits of a Not-for-Profit Municipal Utility

- A municipally driven utility would operate with the purpose of serving the public good, rather than maximizing profits. Its governance structure, led by elected officials, ensures transparency and accountability to the community it serves. Furthermore, municipalities across California have demonstrated that this model can successfully deliver reliable and affordable energy services while maintaining public trust and accountability.

Conclusion:
The creation of a not-for-profit municipal utility represents a bold but necessary step to ensure reliable, transparent and community-focused energy services. Edison's systemic and historic failures demand action. By exploring this alternative, Ventura County can provide a model of governance and service delivery that puts the needs of its residents first.

If you have any questions regarding this item, please contact Supervisor Jeff Gorell at Jeff.Gorell@ventura.org or at 805-214-2510.

Sincerely,



Jeff Gorell, Supervisor, Second District

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