

Editorial: Michael Peevey leaves a mixed legacy as CPUC president

By the Editorial Board



Michael Peevey in 2009.

HECTOR AMEZCUA — Sacramento Bee file

Michael Peevey, who [announced Thursday he will not seek another term as president](#) of the California Public Utilities Commission, is being described as embattled and beleaguered.

The characterizations are apt, though not complete.

At a conference in North Lake Tahoe 10 days ago, Peevey would not say whether he would seek another four-year term when his current one ends in December.

But implying that his tenure was coming to an end, the gubernatorial appointee noted he had served 12 years as commission president, served under three governors, is 76 and had survived cancer

Peevey's announcement came in a week in which PG&E disclosed that federal law enforcement authorities are investigating the relationship between the utility and the commission that oversees it.

[According to emails released by Pacific Gas and Electric Co.](#), Peevey had dinner with Brian Cherry, then a high-ranking PG&E official, over "two bottles of good Pinot" in May 2010. Peevey brought up a potential PG&E contribution

to defeat an initiative on the 2010 ballot that sought to roll back California's law requiring greenhouse gas reductions, Cherry wrote.

"Mike said he told Peter we need to spend at least \$1 million," Cherry wrote, evidently referring to then-PG&E chairman Peter Darby. "I asked for clarification and he said 'at least' doesn't mean \$1 million, it means a lot more." PG&E donated \$500,000 to defeat Proposition 23.

The email reveals chumminess between regulated and regulator that is unacceptable. As CPUC president, Peevey exerted control over rates the utility can charge businesses and residents. Whether it was legal or not, Peevey had no business seeking campaign contributions from PG&E.

A few months later, in September 2010, Peevey was in charge of the commission when a PG&E gas pipeline exploded and killed eight people in San Bruno. Federal investigators concluded that PG&E shared much of the blame, but the commission also failed in its oversight responsibility. That was on Peevey's watch.

Peevey came to statewide prominence in 2000 and 2001 when California was in the midst of an energy crisis and Gov. Gray Davis came to lean on him to help keep the lights on.

Over the objections of some consumer advocates, Davis placed Peevey on the commission in 2002, citing Peevey's business acumen, and installed him as president in on [New Year's Eve that year](#). Gov. Arnold Schwarzenegger reappointed him. Gov. Jerry Brown also has relied on Peevey.

Peevey began his career as a labor organizer and has on his office walls photos of himself with such labor icons as Cesar Chavez. He became an executive at Southern California Edison and grew wealthy by being an energy entrepreneur during the early days of electricity deregulation.

Peevey rarely doubts that he's the smartest man in any room, and often is. He's abrupt, direct and rubs many people the wrong way, including some Bay Area legislators, among them Sen. Jerry Hill, a Democrat who represents San Bruno. Peevey's wife, Sen. Carol Liu, D-La Canada-Flintridge, limited Hill's ability to undermine Peevey.

As commission president, Peevey became one of the leading proponents of green energy, pushing utilities to rely ever more heavily on wind and solar power.

California almost surely will meet if not exceed its goal of having a third of its electricity come from renewable sources by 2020, in no small part because of pressure exerted by Peevey. He and his admirers call his environmental advocacy his greatest achievement.

He was commission president when PG&E emerged from bankruptcy, and negotiated a deal by which the utility agreed to cede to public ownership 140,000 acres of watershed in the vicinity of the utility's dams. The land is in the Sierra and foothills and is a legacy that long will outlive him and his critics.

Peevey's departure became inevitable after the latest revelations. He had become beleaguered. It wasn't always that way.

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