



Statement on El Paso Climate Charter Proposal (Prop. K)

April 25, 2023—

As early voting begins this week in El Paso’s charter amendment election, The American Consumer Institute, a 501(c)(3) nonprofit educational and research institute, encourages all voters to familiarize themselves with the potential benefits and drawbacks of the Climate Charter proposal ([Proposition K](#)).

The Climate Charter proposal stands to profoundly reshape both the city council and the local economy. Many of these changes will expand the scope and scale of the city council bureaucracy—a Climate Director will be appointed to lead a new Climate Department, which will require additional staff and resources to scrutinize how the city’s policies affect climate change. A financial impact estimate of the proposition, which is [mandated](#) by the Texas Local Government Code, tallies the additional annual cost of the proposal to be [in excess](#) of \$4 million, and almost \$155 million through 2045. Consumers deserve to know how these new positions and initiatives will be funded.

This estimate does not include the cost of the proposed municipalization of the investor-owned El Paso Electric utility. The company has an estimated market value of around [\\$8 billion](#). While the Climate Charter seeks to mandate that all energy used within the city be “100% clean renewable energy by 2045,” El Paso Electric already established the [same goal](#) in 2021. Proposition K thus seeks to expand bureaucratic control over a private utility, albeit with the same renewable energy targets. Consumers deserve to know how a multi-billion dollar purchase would tangibly benefit the environment, the city’s finances, or the local economy.

Finally, the fiscal implications of the proposition are not limited to the size of the city’s bureaucracy. By establishing a preference in favor of contractors who can advance the city’s climate policy, the proposition implies that existing city contractors may be replaced in favor of costlier or lower-quality contractors because they specialize in climate-conscious services. These potential costs are not detailed in the financial impact estimate. Consumers deserve to know how Proposition K would affect the provision of local services.

The American Consumer Institute

Our mission is to promote consumer welfare by improving the understanding and impact that public policies and regulations have on consumers in a free market.

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