

Greenwire

ELECTRICITY:

Bay Area county becomes state's first municipal wholesaler

Debra Kahn, E&E reporter, (Friday, February 5, 2010)

SAN FRANCISCO -- Marin County officials voted unanimously yesterday to become California's first community choice power aggregator in the face of staunch opposition from Pacific Gas & Electric Co.

The authority's decision established Shell Energy North America as the county's energy provider, the final step before power deliveries to businesses and residents can begin in May. Under "community choice aggregation," or CCA0, municipalities buy their own energy but use the local utility's billing and distribution infrastructure.

Located just north of San Francisco, Marin County is affluent and known for liberal politics. The county started work on a CCA program in 2003 since California passed a law in 2002 permitting their formation.

The county's CCA collective, the Marin Energy Authority, includes seven of Marin's 11 municipalities and its unincorporated areas. The authority promises to deliver at least 25 percent renewable energy at a price equal to or lower than the incumbent utility, Pacific Gas & Electric.

The energy mix will not include nuclear power or coal-fired electricity. An option to purchase 100 percent renewable energy will be available, at \$3 to \$6 per month higher than regular rates. Renewables will initially come from outside the county, including from large hydropower projects, but the agency plans to eventually use local solar and wind power and landfill methane capture. The contract also specifies that the energy mix will always produce less greenhouse gases than PG&E's.

Supporters hailed the decision. "It's Shell, which is a huge drag, but they beat out all the other bidders and they're giving us more renewables at a really aggressive price," said Megan Matson, director of the activist group Mainstreet Moms.

The program must still faces hurdles placed in its path by PG&E. The most notable challenges are a ballot initiative, a public relations campaign and a threat to refuse to provide service to the county.

PG&E contends Marin's plan is not financially sound, has not been through an environmental analysis and does not meet the state's requirement to serve all residential customers. The Marin authority plans to phase in service over the next

year and a half, starting with 20 percent of customers in May and providing it for the remainder in 2011.

"We're actually obligated not to fulfill a service agreement if it's not in compliance with CCA law," PG&E spokeswoman Katie Romans said. "We have a responsibility to our customers to make sure MEA is meeting its obligation to its customers."

PG&E is promoting Proposition 16 for the June ballot. The measure would require two-thirds of a city's voters to approve a transition to public power before that change could take place (Greenwire, Jan. 15).

State regulators have signaled their support for the CCA program, however.

At a Marin County board of supervisors meeting Tuesday, California Public Utilities Commission staffer Steve Roscow said the state was ready to sign off on the CCA over PG&E's objections.

"What they're threatening to do is to decline to accept the commission's certification," Roscow said. "PG&E's opinion, which nobody has solicited, is that they don't think the implementation plan is workable."

Now, Marin supporters are girding for the next battle. "We need to get a resounding defeat of the initiative," Matson said. "If it goes to a ballot, it's such a difficult issue to fight, because it only takes a little bit of fear and confusion to get people freaked out about it."

Said Marin County Supervisor and Energy Authority Chairman Charles McGlashan: "The next five months will be as hard as the last seven years."