5-22-10 Boulder Daily Camera

Marin County presents possible model for beefing up clean energy in Boulder

Marin Energy Authority flipped switch on 78 percent renewables this month

By Laura Snider Camera Staff Writer *05/22/2010*

Boulder's energy supply options

Franchise agreement: Boulder residents get their electricity from Xcel Energy, which has a franchise agreement with the city. This agreement gives Xcel access to the city's rights-of-way so the company can sell and distribute gas and electricity to all residents. In return, Xcel pays Boulder about $3 million a year. The 20-year agreement between Boulder and Xcel expires in August.

Municipalization: In 1970, in 1990 and again in the last several years, city officials have considered municipalizing Boulder's electricity supply, which would have created a city-owned electric utility. To municipalize its electricity, Boulder would essentially have to take over the grid from Xcel, purchasing the existing infrastructure and running the distribution system.

Community choice aggregation: This structure allows a city to purchase energy directly from power producers -- such as wind or solar farms -- but allows that electricity to be delivered by the existing utility, which in Boulder's case would be Xcel. This type of structure is not yet legal in Colorado.

If you go

What: Charles McGlashan, who serves on the Marin County, Calif., Board of Supervisors, will give a free talk about his county's battle to control where its energy supply comes from. The talk is sponsored by Clean Energy Action.

When: 6:30 p.m. Monday

Where: Unity of Boulder, 2855 Folsom St. in Boulder

More info: cleanenergyaction.org

It took eight years of tough political battles, but California's Marin County finally flipped the switch on its own energy authority two weeks ago, providing customers with electricity that's largely generated from renewable sources.

California passed a law in 2002 allowing "community choice aggregation," which made it legal for local governments to buy electricity on the free market and have it delivered over the existing infrastructure owned by the local utility company. But in California, large investor-owned utilities, like Pacific Gas & Electric, have vigorously fought the implementation of community choice. Several municipalities have tried anyway, but only one -- Marin County -- has been successful.

And Charles McGlashan, a Marin County supervisor and one of the main proponents of community choice aggregation, will be in Boulder on Monday night to share how it happened.

"It's been an exhausting eight years," McGlashan said. "Several of us have suffered enormous physical and emotional pain for having continued on to this, partly due to the wrath of the utility, partly due to their minions that extract their pound of flesh through political combat."

On Monday, McGlashan will meet with local government leaders, including Boulder City Manager Jane Brautigam, and give a free public talk about the creation of the new Marin Energy Authority. Community choice aggregation is not yet legal in Colorado -- though it is allowed in a handful of states besides California, including New Jersey, Massachusetts and Ohio -- but many local clean energy supporters are advocating a change in state law.

Local control

Community choice, sometimes called muni-lite, is a compromise between municipalization -- when the local government owns and operates the electric utility, including power plants, transmission lines and electric meters -- and contracting with a utility, like Xcel Energy in Colorado or PG&E in California.

Community choice allows governments to purchase the power they want and pay the existing utility to transport it to area homes and businesses. In Marin County, the new energy authority is now buying 78 percent of its power from renewable sources, including hydroelectric projects in the Northwest. The rest of the power comes from burning natural gas.

The price charged to customers is the same as they were paying to PG&E, according to McGlashan.

"PG&E spent a fortune convincing people that that was impossible, and that people like me and my staff were crazy or irresponsible or tree huggers who weren't looking carefully enough at the risk," McGlashan said. "The proof is in the power now."

This spring, the California Public Utilities Commission rebuked PG&E for some of the tactics the utility had used to retain customers in Marin County who are allowed to opt out of the new energy authority. On Friday, a utility spokeswoman said that it wasn't fair to characterize PG&E -- which gets 52 percent of its power from carbon-free sources, including nuclear power plants -- as for or against community choice.

"At this time, we're just committed to providing clear and accurate information to our customers regarding their electricity provider options," said Katie Romans, PG&E spokeswoman. "We think it's important that they have the information they need."

PG&E has also spent $30 million to support Proposition 16, a ballot measure that, if passed in June, would force local governments in California to win the approval of two-thirds of its voters before organizing a local energy authority, according to the San Francisco Chronicle.

Boulder's franchise

For more than a year, city officials and renewable energy advocates in Boulder have struggled with whether -- or how -- to renew the city's franchise agreement with Xcel Energy, which is set to expire in August.

For some, a new franchise agreement presents an opportunity to negotiate with Xcel for a larger portion of renewables. But this strategy has yet to yield results. Others believe the city should, again, consider creating a municipal utility, but this would require buying the existing infrastructure.

To municipalize -- or to push for a change in state law to allow for community choice aggregation -- Boulder would likely have to let the franchise agreement expire. But state law requires that Xcel continue delivering power.

"We're looking at all the options right now, community choice aggregation being one of them," said environmental geologist Alison Burchell, a member of the city's decarbonization task force.

Burchell said that any method of rapidly reducing the amount of fossil fuels in Boulder's energy supply will be hard won -- but she thinks the city is up to the challenge.

"When this community comes together and does a certain base level of homework, and they see something is worth pursuing, we tend to pursue it," she said.

Jonathan Koehn, Boulder's regional sustainability coordinator, said that following in Marin County's footsteps and working to adopt a community choice model would have both risks, such as the potential for higher energy costs, and benefits, such as the ability for the city to control its own energy policy.

And while pursuing community choice aggregation would "require significant work," Koehn said it's not out of the question, though it would require a "full analysis of alternative costs, benefits and risks."

McGlashan said that he thinks bringing community choice aggregation in Boulder would require a strong backer in the city government.

"The City Council members, at least one or two of them, would have to decide that they wanted to champion this endeavor in the face of blistering criticism and political sabotage," he said.

In his own experience, however, it's worth it.

"The reason we're doing this, and the reason why I would never step down from this effort is, at the end of the day when Marin Energy Authority is up and running, we will be reducing half a million tons every year of greenhouse gases," he said.

"I would rather be able to look my grandchildren in the eyes as a political leader and say I did something to help when help was needed than to stand down in the face of political shenanigans."

Contact Camera Staff Writer Laura Snider at 303-473-1327 sniderl@dailycamera.com.