



CCA Local Power Begins California Expansion

By Mark Braly

June 1, 2011 | 3 Comments

Linda Hamilton of [Shell Energy North America](#) says her company is optimistic about the business that could flow from community choice aggregation (CCA) in California. Ms. Hamilton, who is general manager of Shell Energy's Portland office, played a key role in getting Marin Energy Authority, [California's first community choice aggregation utility](#), on line.

"Much will depend on the outcome of pending legislation," said Ms. Hamilton. The state utilities commission is considering the size of the exit fee, which should come down. There is also the bond that must be posted to the host utility in case CCA customers come back in a large block."

The Richmond city council recently voted to begin the process of joining the [Marin Energy Authority \(MEA\)](#), an option that may be attractive to many other local governments in California. The Richmond city staff reported to the council that the city would see no immediate or direct financial benefits or risks from joining MEA. However, the move could provide an influx of investment to the local renewable energy and energy efficiency economy and create more jobs for Richmond residents. MEA has expressed interest in local hiring initiatives for power purchase agreements, which could include Richmond.

MEA has the authority, the staff report noted, to develop more effective incentive programs to buy power directly from residents and businesses and thus encourage more rooftop renewable energy systems. The MEA business plan has a long-term goal of procuring 100 percent renewable power through power purchase agreements from local power providers. This would onceivably encourage developers to build locally and thus provide more tax revenue to the city and jobs for residents.

Among potential new CCA's are the city and county of [San Francisco](#), Sonoma County, and Yolo County. Others who have tried in the past – King's River Irrigation District, Victorville, and several Bay Area cities – may take a second look with the improving regulatory climate.

One improvement that may be decisive is the defeat in June 2010 of [Proposition 16](#), which would have made it more difficult for local entities to form either municipal utilities or CCAs by requiring a two-thirds vote of the electorate rather than a simple majority, for a public agency to enter the retail [power](#) business. PG&E contributed over \$46 million in an effort to pass the [initiative](#), while

Prop 16's opponents spent less than \$100,000, according to one estimate. The defeat of the initiatives was a signal to local governments that they had the public on their side.

Additionally, a pending bill in the state legislation (SB790) would direct "public purpose energy efficiency funds from investor-owned utilities to CCAs. Public Purpose funds account for 3 percent of a customer's utility bills. These funds are currently distributed across the state and consumed partly by private utility overhead costs and what the Richmond city staff called ineffective programs. For a city the size of Richmond, public purpose funds come to millions of dollars.

Preliminary estimates of the initial costs to join MEA are expected not to exceed \$200,000, a small sum compared to the cost of going it alone.

Shell Energy North America (SENA), which provided full service support to the Marin Energy Authority, may be a factor in getting new CCAs up and running. With more than 200 million megawatt hours (MWh) in annual power sales, SENA and its subsidiaries, rank among the major wholesale power marketers in North America.

SENA's capabilities include the capacity to generate 5,000 MWh from power plants across North America. The firm is a registered provider of electricity in numerous states and provinces.

[Bioenergy](#), [Geothermal Energy](#), [Green Power](#), [Hydropower](#), [Ocean Energy](#), [Solar Energy](#), [Wind Power](#), [Energy Efficiency](#)

[sandy-leonvest-75854](#)

June 1, 2011

Mark Braly should have mentioned that Shell Energy North America is a subsidiary of Royal Dutch Shell, one of the most destructive, CO2 polluting, human rights abusing corporations on the planet. While he's at it, maybe he could mention that here in California -- especially in Marin County -- Marin Energy Authority has hardly "broken the mold." We're still dependent on PG&E, since the mega-utility still controls transmission and distribution, maintenance AND billing. As long as the CPUC remains in PG&E's pocket, none of that will change anytime soon. Here in Marin, not ONE kilowatt of MEA's "green energy" is being generated locally, so the "local jobs" talking point is just more greenwashing. In the case of Marin's CCA, we got some new faces, but it's the same old corporate model with a greenwashed logo. Marin is "playing it safe" -- spending millions on greenwashing the public into submission, as opposed to greening their "product," which is NOT green by reasonable environmental standards. Marin's energy mix comes from large hydro (hardly sustainable), LFGTE (Landfill Gas to Energy), also not "green," if you believe climate justice activists, the Sierra Club and the NRDC, who all argue that LFGTE shouldn't qualify for green certification at all. While MEA recently purchased some solar, even that came from out of the

county. MEA's contract with Shell contains a clause that allows for nuclear.

Those of us who believe communities have the right to self-determination when it comes to energy, or want to see (something resembling) "energy democracy," will need to work quickly to organize grassroots political constituencies in our communities. No wonder Shell's Linda Hamilton is "optimistic" about the "business that could flow from California's Community Choice Aggregation." It has nothing to do with "community choice," and everything to do with corporate control.

Sandy LeonVest
Editor, www.solartimes.org



Comment
2 of 3

[Gracer](#)

June 1, 2011

It is unfortunate that the City of Richmond believes the same promises that Marin Energy Authority has made (and broken) with the citizens of Marin County. These broken commitments include:

1-Failure to hire local solar contractors in Marin County.

2-Failure to create net-new long-term jobs in Marin County.

3-Failure to construct local renewables in Marin County.

4-Failure to work with Marin-based energy developers. Rather, MEA elected to work with LS Power (New York), SunPower (in negotiations with Total SA, Europe's third-biggest oil producer to purchase 60% of SunPower), and EnXco, which is an affiliate of Electricite de France (EDF). EDF operates France's 59 nuclear reactors. These corporate developers have promised to develop generation far away from Marin County.

5-Failure to keep Marin's money in Marin. MEA leadership said the benefit of MEA was that it wouldn't send money to PG&E in San Francisco. Now MEA sends money to Royal Dutch Petroleum in Europe and to shareholders around the world.

6-Failure to deliver on its commitment to 'meet or beat' PG&E prices. Two months after going into business MEA changed its pledge to 'competitive' with PG&E.

Jim Phelps
www.MEAtruth.com



Comment
3 of 3

[mark-braly](#)

June 1, 2011

Sandy and Jim: Marin Energy Authority has just marked its first anniversary. That it has failed to deliver on all of its promises during this time is no surprise. What is is that it exists at all despite the fierce and often dishonest resistance of the incumbent utility. I've followed CCA since the idea was first enacted in the state legislature. It seems to me that it is the best shot we have of providing the local jobs, energy efficiency, and the 100% green power that we want. If CCA can draw the resources of Shell and other big companies into local and green power, that's a good thing. You and others will certainly let them know how they are doing.