Power Structure

Santa Cruz leads the way on push for local green energy grid

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What if the energy that heats your home and keeps the lights on could be cheaper, cleaner and more locally sourced?

That may be a reality as soon as the summer of 2017, with Community Choice Aggregation (CCA)—an idea that local leaders from Santa Cruz to King City and the far southern reaches of Monterey County have been talking about for years. Last month, Santa Cruz County became the first in the group of regional partners to approve a feasibility study for the program.

A CCA allows cities and counties to create their own energy system, one that allows residents to drop their PG&E plan and opt-in. CCAs also purchase and support local green projects. The group can fund those projects by pooling revenue from the revenues it collects from ratepayers.

One goal of the project, says First District Santa Cruz County Supervisor John Leopold, is to help create more renewable energy jobs in the Monterey Bay. Leopold says that PG&E profits from energy sales would instead stay in the community to fund clean projects, create jobs and stimulate the local economy.

"The millions of dollars leaving our community right now [are] going into a corporation that is not necessarily investing in our community—this is a way to

capture those resources for projects we care about," Leopold says.

Nearly half of greenhouse gas emissions created by the Monterey Bay region come from energy production.

Regional leaders created Monterey Bay Community Power (MBCP), a public/private partnership, in 2013 to assess the environmental and economic impact of creating a possible CCA for the Monterey region, which includes 21 municipalities in Santa Cruz, San Benito and Monterey counties.

Each partner has passed resolutions in support of a CCA and has started reviewing the feasibility study, a cost-benefit-analysis which consultants from Pacific Energy Advisors finished in March.

The system puts the control of energy purchasing and pricing into local hands—allowing the community to decide what type of energy mix best serves their needs via CCA administrators who would decide which energy sources to use. PG&E would still transmit and deliver energy, as well as handle customer service.

Ratepayers will have an option to stay with PG&E, but Virginia Johnson, the project manager for MBCP, says it will be a tough sell for PG&E to keep customers.

"We can double the amount of green energy that we use, pay the same rates, and we can book surplus revenues to fund local energy projects. That benefits the community, keeps the control local, the rate local, the money local," says Johnson, also a staffer for County Supervisor Bruce McPherson.

CCAs began in Massachusetts in 1997, and have since been approved by six other states including California. As of 2014, CCAs serve about 5 percent of Americans in more than 1,300 municipalities, including the counties of Marin and Sonoma.

The law requires PG&E to cooperate with CCAs, whether they want to or not. In 2010, PG&E donated $46 million to a ballot measure that would have made it more difficult for CCAs to form, but it was defeated at the polls. PG&E spokesperson Brandi Merlo says that a CCA's implementation will not impact PG&E's ability to provide services.

"We respect the energy choices provided to our customers," she says, "and we are cooperating with CCA programs."

PLUGGING FOR CHANGE

Last year, approximately 30 percent of the energy delivered by PG&E came from state-qualifying renewable resources like solar and wind. MBCP's feasibility study offers three possible supply scenarios, all of which would produce more renewable energy than PG&E.

Joe Jordan, a former researcher for NASA who teaches renewable energy at Cabrillo College, attended a recent meeting on the CCA proposal. He's overall optimistic about the possible switch, saying it's a great opportunity to reduce greenhouse gas emissions. But he's also concerned that the CCA will be "too timid" in achieving its green goals.

"If you're going through all this trouble, go big, be bold. The sky's the limit," Jordan says. "From my NASA background, let me just say: always be wary whenever anyone says it couldn't be done."

California's energy regulations require that all electricity retailers, including CCAs, provide a minimum 33 percent of all electricity from eligible renewable energy sources by 2020, and 50 percent by 2030. MBCP recommends using a variety of renewable sources, among them—solar, geothermal and wind.

MBCP has highlighted three different supply scenarios they are considering. Each would reduce greenhouse gas emissions, increase renewable energy and keep the rates equal to or lower than PG&E's.