

Achieving Balance in the Supply of Renewable Electricity for Local Use

The VCE board will consider a major new renewable electricity purchase at its next meeting, notably before VCE's Community Advisory Committee CAC has an opportunity to weigh in. The purchase will bring VCE's renewable percentage to about eighty percent. The glass will be more than half full. It will also be more than half empty.

The staff initiative to arrange for the purchase is commendable. On one hand, it fulfills one important element of VCE's vision. On the other hand, doubling down on imported renewable electricity may preclude building up critically important local capacities that Community Choice advocates once promised and that were addressed in the early stages of CCA development in Yolo County – minimizing environmental impacts of renewable energy deployment, empowering local deployment of renewable resources, capturing local energy resilience benefits, and strengthening local economies.

Twenty years ago, AB 117 authorized creation of CCAs. Fundamental changes have occurred in the California electricity sector since then - for example, renewable portfolio standards, creation of a thriving retail solar industry, and substitution of market structures for utility generation planning and operation. Key provisions of the law are increasingly problematic and out of date. CCAs must meet the state standards, navigate its electricity markets and execute a portion of the utility generation business model, all while entering into power purchase contracts that generate no margin to fund more than minimal staff levels or fund projects and programs for local resource development and energy resilience. The combination of exit fees and opt-outs creates a daunting, nearly unmanageable financial risk environment.¹

There is a fundamental issue I urge VCE's CAC, staff and board to consider: Balance between local supply for local purposes and importing renewable energy into Yolo County from elsewhere. What is the best long term balance for CCA member jurisdictions? CCAs and state PUCs can no longer provide strategically sensible one-size-fits-all answers. Ideally, each local jurisdiction would decide based on local considerations. If balance is lacking, energy resilience will remain as inequitably available to local homes and businesses as it is now. Likewise, environmental consequences of CCA power sources will remain out of sight, out of mind. Major economic and equity benefits to member jurisdiction economies will be foregone.

Laying the groundwork for local project development would require VCE and VCE member jurisdiction coordination regarding land use and the identification of suitable brownfield sites. As VCE's stalled 20 MW local solar project amply demonstrates, laying and following up on such crucial groundwork inherently requires more staff attention and involves more project completion risk than larger out-of-area projects serving multiple off-takers.

¹ Rate setting is key to fulfilling a holistic VCE vision that focuses on more electricity procurement. Opt-outs are the Achilles heel of the CCA movement. Inconsistently, there are no opt-outs for other local utility service – waste collection, water supply, etc. Opt-outs made sense before CCA's benefits were demonstrated. They are no longer appropriate.

Do the benefits of local resource development and use out-weigh the risks and extra effort? I believe they do. Does staff agree? The CAC? The board? If so, what will it take for VCE to strike an appropriate balance?

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