

# County pushes on for 'clean energy'

*[Richard Halstead](#), 07/03/2009*

The San Joaquin Valley Power Authority, a partial model for the Marin Energy Authority, has announced it will temporarily suspend efforts to compete with Pacific Gas and Electric by contracting with alternative electricity suppliers.

A state law passed in 2002 allows California cities and counties to combine their citizens' purchasing power to buy electricity, an approach known as community choice aggregation. The Marin Energy Authority, which consists of the county of Marin and all of Marin's cities with the exception of Novato, Larkspur and Corte Madera, has followed the San Joaquin authority's lead by soliciting bids from energy suppliers; the deadline for submitting those bids is July 20.

Dawn Weisz, interim director of the Marin Energy Authority, said the San Joaquin Valley authority's decision will have no effect on the Marin authority's plans. If the bids that come in look good, members of the Marin authority will decide whether to commit to the community choice initiative. If a municipality chooses to join the initiative, residents of that jurisdiction will have to opt out if they want to remain a customer of PG&E.

The San Joaquin authority, a confederation of 12 jurisdictions in the Central Valley, had an objective of offering its member customers a rate that was 5 percent lower than PG&E's.

"The dynamic energy market and credit conditions clearly have influenced our ability to meet our discount objectives," said David Orth, the San Joaquin Valley authority's general manager.

Supplying electricity more cheaply than PG&E has gotten harder since the global financial crisis began. The depressed economy has reduced demand for natural gas, causing the price for gas, like oil, to drop significantly. In 2008, 39 percent of PG&E's power was natural gas generated.

Orth said several other factors contributed to the San Joaquin Valley authority's decision.

Kings County and the small cities that make up the authority are coping with reduced revenue due to the economic downturn and the possibility of the state borrowing property tax from them due to California's whopping budget deficit. In addition, the credit crunch made it impossible for the authority to find an energy supplier willing to sign an eight-year contract. And, Orth said the authority was deterred by "PG&E's very aggressive marketing and lobbying effort" in opposition.

Ron Manfredi, city manager of Kerman and chairman of the San Joaquin Valley authority, said, "For the last few years, PG&E has continually placed roadblocks in front of our program in an attempt to stop us from implementing community choice and ultimately providing residents and businesses the opportunity to have a choice about who will provide them electrical energy."

Katie Romans, a spokeswoman for PG&E, said, "PG&E always acts and communicates on behalf of our customers. That is why we will continue to oppose risky community choice ventures like San Joaquin Valley Authority's and Marin Energy's."

Weisz said PG&E has done all it can to discourage Marin municipalities from joining the Marin Energy Authority.

"The offers of assistance they've made to the nonmember communities have been couched in the context that they would be offered if the cities and towns chose not to join Marin Energy Authority," Weisz said.

Weisz said PG&E helps allocate public goods revenue, part of which comes from ratepayers, and uses those funds disproportionately in communities.

"It appears that they are making some decisions around how they use those funds that are political in nature, with a goal toward swaying elected officials in a certain direction," Weisz said.

Romans, however, denied that PG&E is selectively rewarding jurisdictions that agree to remain their customers, and said PG&E definitely wasn't using ratepayers money for such a purpose.

"We couldn't and wouldn't do either of these things," Romans said.

Weisz said Marin Energy Authority's plan, unlike San Joaquin Valley's, doesn't rely on providing rates that are lower than PG&E's. Marin Energy Authority's aim is to address global warming by boosting the amount of renewable power available to local customers.

Marin Energy Authority plans to offer customers the choice of using 100 percent renewable power, which may cost more than PG&E's electricity, and a "light green" option, which would maximize the percentage of renewable power used while matching PG&E's rate. Weisz has estimated the light-green option would be at least 25 percent renewable.

Romans said 14 percent of PG&E's electricity came from renewable sources in 2008. She said that number will increase to 15 percent in 2009.

Regarding PG&E's efforts to influence Marin municipalities, Romans said, "Over the last year, local governments in the East Bay and Marin County have decided that community choice is not worth the financial risk."

The cities of Oakland and Berkeley have abandoned efforts to implement community choice.

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