

San Rafael remains in county energy alliance

Jennifer Upshaw Swartz, 01/04/2010 MarinIJ

The San Rafael City Council signed off Monday night on countywide plans to go into the energy business.

The council unanimously reaffirmed its participation in Marin Clean Energy, an initiative of the Marin Energy Authority that would compete with Pacific Gas & Electric Co. Mayor Al Boro recused himself, saying he owned stock in PG&E.

The council did not formally vote, but called for a motion to opt out of the program. No motion was made.

Marin County Supervisor Charles McGlashan, the chairman of the authority's board, urged the city to stay on board.

"I think the bottom line is that from my perspective we've developed an important program that offers a fiscally feasible path that offers a large reduction in greenhouse gases without penalizing the taxpayer or the ratepayer," McGlashan said.

"Your vote to stay with us basically gives every business owner and ratepayer in the city of San Rafael their own choice," he said.

The project's competitor, PG&E, questioned the fine print and urged the council to reject the proposition.

"We strongly support the goals of taking the decisive step of reducing the carbon content of the energy supply," said David Rubin, director of service analysis for PG&E.

"We're in strong agreement with the objectives, however we don't believe MCE will deliver on the promises," he said.

The authority, which consists of the county of Marin and all of Marin's cities except Novato, Larkspur and Corte Madera, was formed last year. The San Rafael council approved participation in November 2008.

Late last year, the board of the Marin Energy Authority voted unanimously to approve a five-year draft contract. Shell Energy North America, a subsidiary of Royal Dutch Shell, is the lead bidder for the contract, but the authority still has the option of going with one of two other companies: Baltimore-based Constellation Energy Commodities Group or Houston-based Macquarie Cook Power.

The government entities that make up the authority now must review the contract and decide whether they want to remain a part of the authority. A final vote on the contract is tentatively scheduled for early February.

In Mill Valley, the City Council was still deciding whether to stay in the energy authority late Monday night during a contentious public hearing attended by about 60 residents and various energy representatives.

Dawn Weisz, interim director of the Marin Energy Authority, said the authority could lose San Rafael or the county of Marin - but not both of them - and still proceed with the Marin Clean Energy initiative.

Previously, the authority's consultants had said both San Rafael and the county would be needed for the project to have the required critical mass.

She said it is now believed that the initiative could proceed with a much smaller total market than thought necessary before.

"We would be able to go forward with as low as 20 megawatts, which is a pretty small percentage," she said.

Only residents living in member jurisdictions will have the opportunity of purchasing their power from the authority. Residents who wish to continue getting their power from PG&E will be allowed to opt out.

The contract will be executed only if the wholesale provider can guarantee Marin customers that at least 25 percent of their electricity will come from renewable sources while at least matching PG&E prices, proponents have said. Customers who are willing to pay a slightly higher premium will also have the option of assuring that 100 percent of their electricity comes from renewable sources.

At Monday's meeting in San Rafael, several speakers urged the city to stay committed.

"It provides residents with a choice," said Roger Roberts, a member of the Marin Conservation League. "We think it's important that they have that choice."

"This whole CCA (community-choice aggregation) is a really unique animal," said Bob Spofford of Sustainable San Rafael. "It's the only thing anyone has put on the table that has taken a really big bite out of greenhouse gas emissions."

"We are obligated to do this," Councilman Greg Brockbank said. "We can't afford the cost to do everything else it would take to hit our greenhouse gas reduction targets."

Others expressed reservations about the project.

"We were not given the option to vote," said Gladys Gilliland, a resident of the city's Glenwood neighborhood.

"I will opt out and most of my neighbors will opt out," she said.

"I question whether Shell can be trusted any more than we would be right to trust Enron," city resident Sid Waxman said.

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