

Marin Energy Authority considers discounts in return for loan guarantees

[Richard Halstead](#), 01/07/2010

The county of Marin and the Marin Municipal Water District could get access to 100 percent renewable power at discounted prices in return for co-signing a \$1.6 million loan enabling the Marin Clean Energy initiative to begin operations.

The Clean Energy initiative would put the Marin Energy Authority, whose members include the county of Marin and every municipality in the county with the exception of Novato, Corte Madera and Larkspur, in competition with Pacific Gas and Electric Co. as a retailer of electricity in Marin. The joint powers authority was formed in 2008 to explore projects to reduce greenhouse gas emissions.

The Marin Energy Authority's nine-member board voted Thursday night to explore the option of offering an incentive to any entity willing to help securitize a loan for start-up capital. The money will be needed to hire professional staff until ratepayer revenue is available.

Under an initial proposal presented to the authority's board Thursday night, entities helping to guarantee the loan would have been rewarded with power generated from 100 percent renewable sources, sometimes referred to as the "dark green" option, for the price of the "light green" option, which would be approximately 25 percent renewable.

Authority managers have said the "light green" option will maximize the percentage of renewable power used while matching PG&E's rate. They have estimated that the "dark green" option would cost 5 to 7 percent more than the "light green" option.

On Wednesday night, Dawn Weisz, the authority's interim director, attended a meeting of the water district's board and discussed the possibility of the water district joining with the county of Marin in co-signing a loan. Paul Helliker, the water district's general manager, estimates the discount would save the district about \$140,000 per year, compared to the price it would otherwise have to pay for 100 percent renewable power from the authority.

"Our board is very committed to reducing our greenhouse gas profile," Helliker said. "In fact, two years ago we asked PG&E for a 100 renewable tariff, because we wanted to move as quickly as possible to reduce our carbon footprint, and they wouldn't do it."

Helliker said the water district board agreed to consider a more detailed version of the Marin Energy Authority's proposal when it meets on Jan. 20.

Under the same scenario, the county of Marin would save approximately \$100,000 per year, Weisz said. But Weisz told authority board members last night that the total size of incentives may need to be limited to \$145,000 per year to minimize the effect on ratepayers. She said the size of the incentive will probably vary depending on the number of entities co-signing.

Gene Dyer of San Rafael, the only member of the public to comment Thursday, said, "It's unfair."

Authority board members were reluctant to fully endorse the approach before the actual size of the incentives to be offered has been settled on.

"I can't make an informed decision about it without the financials," said Sausalito City Councilman Jonathan Leone.

On Nov. 5, authority members voted to approve a five-year draft contract with an electricity wholesaler, triggering a 90-day waiting period during which any member can opt out of the Marin Clean Energy initiative. The authority's board is expected to vote on a final contract on Feb. 4. Shell Energy North America, a subsidiary of Royal Dutch Shell, is the lead bidder.

So far, no authority member has jumped ship, despite a Marin civil grand jury report released Dec. 2 that recommended the authority "pull the plug" on the Clean Energy initiative. This week, council members in San Rafael, Mill Valley and San Anselmo all reaffirmed their commitment to participate.

On Monday, the Belvedere City Council takes up the issue and on Tuesday the Ross Town Council, the Sausalito City Council and county supervisors are scheduled to decide whether to opt out.

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