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Orinda City Council Declines Funding CCE Study

By Sora O'Doherty

The Orinda City Council stayed focused on its roads, not renewable energy, when it decided not to contribute funds to a proposed study of Community Choice Energy (CCE). After hearing a detailed review of developments in the area and explanation of what the county seeks to determine with the study, the council decided that it preferred to keep the city's focus - and funds - directed toward the goal of dealing with the city's roads.

The council voted unanimously at its May 3 meeting to decline the request of Contra Costa County to contribute up to $10,000 for a feasibility study of providing renewable energy through a provider other than Pacific Gas and Electric Company.

In neighboring towns, the Moraga Town Council unanimously agreed to contribute up to $10,000 to the preliminary CCE study made by the county, according to Moraga Assistant Planner Coleman Frick, and Lafayette has already joined Marin Clean Energy - one of five of the county's 20 cities to join MCE, including El Cerrito, Richmond, San Pablo and Walnut Creek.

No one, the council reasoned, was clamoring for an alternative source of renewable energy in Orinda. In fact, no member of the public spoke either for or against the proposal.

Last January, the council agreed to allow the county to obtain Orinda's electrical load data from PG&E for the Community Choice Aggregation Study. The county has been considering three options for Community Choice Energy: join MCE; form a new joint powers authority (JPA) of Contra Costa County and interested cities within the County; or form a new JPA together with Alameda County and interested cities within the two counties.

Jason Crapo, deputy director of Contra Costa County Department of Conservation and Development, and Seth Baruch, of Carbonomics, discussed the issue and fielded questions from council members. Darlene Gee, whose husband works for PG&E, recused herself from the discussion.

According to Baruch, thus far Marin and Sonoma have been able to provide a higher level of renewable energy at lower rates to consumers. This is partly because they have entered the market at a time when energy rates are generally lower, and have been able to enter into long-term contracts stabilizing the costs into the future, whereas PG&E is bound under contracts negotiated when energy rates were higher.

While PG&E comes under the purview of the Public Utilities Commission (PUC), rates for CCEs are set by their board of directors.

Both sides of this equation could change in the future, but Crapo pointed out that the main reason for CCEs is not lower costs but attaining higher levels of renewable energy quicker than PG&E, which is currently mandated to provide 33 percent eligible renewable energy by 2020 and 50 percent by 2030, and recently introduced an option for consumers to avail of 100 percent renewable for a premium.

As nonprofit agencies that do not pay taxes, CCEs have inherently lower costs. There are currently four CCEs operating in California: Marin Clean Energy, launched in 2010, Sonoma Clean Power, launched in 2014, Lancaster Choice Energy, launched last year, and just on the first of May this year San Francisco entered the market. Thus far CCEs have been able to provide energy at rates below PG&E, with higher percentages coming from renewable sources.

There are still a couple of months in which Orinda could opt in to fund the study. Even if Orinda does not fund the study, should the County adopt a strategy for forming or joining a CCE, Orinda will have the option of joining in that program. However, Mayor Victoria Smith noted that she would be reluctant to join an additional JPA because Orinda already participates on some JPAs, which require a large commitment of time from her as well as from city staff.

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