Community choice programs are not delivering on clean energy for America

BY JERRY SANDERS
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Eighteen years ago, California was faced with rolling blackouts and a major energy crisis. It may not seem like it, but another energy crisis is brewing – this one caused by cities getting in the business of buying and selling electricity.

It was a lack of oversight and poor deregulation that led to those blackouts, when bad actors such as Enron saw an opportunity to game the system, manipulate energy markets and ultimately crash power grids.

Now, government-run energy programs – also known as Community Choice Aggregation – are unraveling the centralized planning and service California needs to keep the lights on.

As the former mayor of San Diego, I can see why CCAs are attractive to some local lawmakers since they're billed as cheaper and greener alternatives. But they aren't delivering on their promises and it's not a program I would have introduced to

These programs produce very little new renewable energy, instead buying from existing sources, including out-of-state wind and solar farms. They take credit for improving our environment but they're not actually reducing carbon emissions. For example, Marin Clean Energy, California's first CCA, was launched eight years ago and is held up as a model. Yet it has not delivered more than 10 percent of its power from new clean energy sources in any year.

Government-controlled energy might one day deliver the benefits it promises, but the current market was not designed to support CCAs. Their customers can always return to utility companies. This risk, combined with a lack of credit, means that CCAs are reluctant to purchase long-term contracts for renewable energy, or build new facilities.

While utility companies buy nearly all their renewable energy under long-term contracts that lead to new renewable generation development, this has all but stopped because of the uncertainty caused by CCAs.

Also, some labor leaders strongly oppose CCAs because they are not creating more jobs. Worse, utility customers in neighboring cities are forced to pay higher energy bills to subsidize them.

So why is California seeing an acceleration of these programs, and why is San Diego even considering forming what would be one of the largest CCAs?

Cities are under pressure to comply with their own Climate Action Plans, even though all existing CCAs fall well short of achieving the goal: 100 percent clean energy use.

The only way for energy providers to meaningfully reduce emissions is to build more wind, solar, and other green energy sources. CCAs aren't achieving that, but they do expose cities to significant risks. In San Diego, a city study found that a CCA could require annual revenues of as much as $961 million.

Clearly, there are many reasons to be skeptical of government-controlled energy. Local leaders should focus on building more housing near job centers, conserving water and increasing energy efficiency through numerous strategies that do not expose cities and their residents to financial risks or power outages.

Jerry Sanders, former mayor of San Diego, is president & CEO of the San Diego Regional Chamber of Commerce. He can be contacted at jerry@sdchamber.org.