Community Choice for Colorado

Electricity service in the US is in transition. The transition now concerns everyone, not just giant electric utilities.

Transformative, clean, modular technologies like solar PV, lithium ion batteries, fuel cells and heat pumps are ready for prime time. They come in small, modular packages that power homes, businesses and vehicles. They lower energy costs. Deployed locally, they complement one another, strengthen local economies, reduce local carbon footprints, back up the big grid when there is a local disruption, and power local services in the wake of disasters and grid failures.

Capturing these benefits requires local attention. Some states have experience with an electricity service model that local governments can adopt without taking responsibility for the local grid. The model goes by the title “Community Choice”. It enables local decision-making about electricity supply but does not require ownership of local “grid” assets.

Community Choice is a low risk way for cities and counties to have an increased role in shaping local energy futures while capturing near term public benefits. Community Choice does not require ownership of grid or power generation assets, large numbers of permanent staff, or significant up front investment. Experience in California and other states validates this claim.

Community Choice, by allowing communities to control the purchase of wholesale electricity (but not its local distribution), is not a quick or complete fix. In California Community Choice typically involves joint governance among many nearby communities. Unlike municipal utilities, Community Choice agencies typically do not purchase or own electricity infrastructure assets, though local community renewable project ownership may be one of the tools in a future Community Choice toolkit.

Community Choice is not yet an option for Colorado cities and counties. The Colorado PUC is now conducting an investigation to determine whether to recommend that the Colorado legislature authorize Colorado cities and counties to adopt Community Choice.

Colorado will benefit if it moves forward. Other states blazed the trail. For example, California’s legislature authorized Community Choice in 2002. In spite of well-conceived legislation, getting to initial adoption took a decade, during which renewable power and climate change became dominant energy policy considerations. Ramping up adoption consumed the second decade.

Now California Community Choice agencies supply more than twenty percent of California’s electricity usage. Because they are able to make new purchases rather than rely on existing sources, Community Choice supply portfolios rely primarily on renewable sources.

This good news could be even better if California regulators and legislators had updated Community Choice legislation to account for new technologies that enable greater energy democracy and decentralization. Instead, California regulators became alarmed by the surge in Community Choice adoption in recent years and took steps to limit the cost savings available to Community Choice customers.

Community Choice revenues support core procurement and business operations. Other parts of the Community Choice vision - sourcing renewable electricity locally, engaging with electricity prosumers, sponsoring community renewable projects and upgrading local energy resilience - are still only supported in a limited way.

Nevertheless, California Community Choice providers are creating supply portfolios that greatly accelerate state-wide investment in renewable and zero carbon electricity supply.

The question facing Colorado is not whether to accelerate renewable electricity investment. The economic, environmental and climate benefits are already compelling. Nor is it whether to adopt California’s version or some other version of Community Choice.

The question is how best to empower Colorado cities and counties to capture local benefits of energy sector decentralization and democratization while the state continues to regulate investments in bulk electricity transport.

A preferred answer is to enact Community Choice enabling legislation that incents and rewards collaboration and win-win behavior among incumbent utilities, local governments, and Community Choice service providers. Collaboration is California’s missing Community Choice ingredient and mistrust its substitute.

Cost saving electricity supply decentralization and local energy collaboration should be primary goals of Community Choice for Colorado.

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1. Mr. Braun is a renewable energy integration expert and has been active in California’s Community Choice movement since 2007. [↑](#footnote-ref-1)