Public Comment on Community Choice for Colorado

October 18, 2022 Colorado PUC Public Comment Hearing

Gerald Braun[[1]](#footnote-1)

I have been active in the California Community Choice movement for 15 years. I continue to serve as an advisor to the CCE that serves my county. Our CCE, Valley Clean Energy was launched in 2017. Its supply portfolio will be more than 80 percent renewable by 2024. For context, California’s renewable portfolio goal for IOUs and municipal utilities is 60 percent by 2030.

Comments on three aspects of Community Choice based on California experience to date:

1. Collaboration. States that authorize CCE have an interest in close, productive collaboration between their IOUs and CCEs. Regrettably, collaboration in California remains minimal. The disruptive effects of transition fees and IOU interference in local CCE elections have taken a toll, and CCEs view their potential IOU collaborators with steadfast mistrust. Colorado will be well served if CCE authorizing legislation rewards CCE/IOU collaboration as well as CCE collaboration with local governments and solar prosumers and retailers.

2. Community Solar. In a growing number of states, community solar projects support local goals, strengthen local economies and are foundational to local energy resilience. CCEs are natural enablers of community renewable projects, community microgrids and virtual renewable power plants. They can help their member jurisdictions strike the best local balance between centralized and decentralized electricity sources. California CCEs purchase little or no renewable electricity from within the areas they serve. This is not their preference. Rather, community solar projects have somewhat higher busbar electricity costs than larger projects in sunnier areas, and transition fees consume funds that could cover the cost difference. Colorado should incent and empower Colorado CCEs to cause renewable electricity projects to be developed in their service areas.

3. Transition Fees. High, unforecastable and essentially endless transition fees consume the difference between low CCE and high IOU generation portfolio costs in California. This outcome seems to be intended by IOUs and their regulators, but California’s 2002 CCE authorizing legislation had a different intention. It tied transition fees to power purchase agreements in place prior to CCE formation and set a reasonable standard for CCE customer cost responsibility. California’s PUC set aside the standard and replaced it with fees set at the difference between the cost and market value of IOU power purchase agreements. More recently in inflated fees to the difference between the cost and market value of the entire IOU generation portfolio including legacy IOU owned power plants. The result has been to render CCE feasibility assessments unreliable and forecasts of long term CCE operating costs impossible.[[2]](#footnote-2) If Colorado determines a purpose and need to impose transition fees, 1) the transition period should be limited to five years, 2) transition fees should be accurately forecastable by CCEs for the full transition period, 3) transition fees should only be triggered by IOU customer departures in a single year that result in significant annual IOU load impacts, and 4) CCEs should be encouraged to retain a portion of transition fees to cover above market costs of community renewable projects and any grid upgrades necessary to accommodate them.

In summary, reward collaboration, define a CCE role in community renewables, and make transition fees fair, temporary and accurately predictable.

1. Gerald Braun has been active in the California Community Choice movement for 15 years and continues to serve as an advisor to the CCE that serves his city and county, Valley Clean Energy, which was launched in 2017 and has a supply portfolio on track to be more than 80 percent renewable by 2024. For context, California’s renewable portfolio goal for IOUs and municipal utilities is 60 percent by 2030. [↑](#footnote-ref-1)
2. Most California CCEs were formed based on the results of feasibility studies that relied on transition fee estimates. The estimates were based on IOU power contract portfolios at the time and could not have accounted for the order of magnitude escalation in transition fees that has occurred nor recent unforecastable year to year changes. [↑](#footnote-ref-2)