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INSIGHT

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OPEN FORUM

Utility industry's 'Enemy No. 1' wants to liberate your power bill

By Katherine Ellison
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My Marin County roof is shaded by a giant oak tree, while my next-door neighbor's roof bakes all day in the sun. Over the years, as my PG&E bills have soared, I've dreamed of walking over with a plate of cookies to propose that we co-invest in solar power, to reduce our bills and our air pollution.

Alas, while technically possible, my dream is a non-starter. California's Public Utilities Code forbids sharing energy "over the fence" unless you're a regulated utility.

Eco-entrepreneur and Oakland native Paul Fenn thinks that's wrong and is trying to do something about it.

Decades ago, as a University of Chicago philosophy doctoral student, Fenn became obsessed by the flaws in American democracy, which he saw as the root of society's failure to stem the increasing climate havoc caused by burning fossil fuels for energy. In the 1990s, he helped write laws, first in Massachusetts and then in California, to create Community Choice Aggregators — or CCAs — local, nonprofit agencies designed to sell more affordable and cleaner energy.

CCAs now offer services to roughly 50 million Americans in more than 1,500 municipalities, according to Fenn. In California alone, they've invested nearly $50 billion in clean energy projects.

These efforts have helped earn Fenn a reputation as "the utility industry's enemy No. 1."

Yet even Fenn admits his brainchild has problems, exemplified by the recent turmoil engulfing MCE, California's first CCA, which provides electricity to 1.8 million people and businesses in Marin and three nearby counties. The company's CEO, Dawn Weisz, resigned in June after a grand jury report criticized her and her staff for "missteps" including dismissing public-interest groups pressing for more transparency.

Still, the greatest failure of CCAs, according to Fenn, has been their sluggishness to develop local power, which could reduce dependence on distant plants and expensive transmission infrastructure while speeding the transition away from fossil fuels. They've resisted moving faster, in his view, because their prevailing business model remains similar to that of conventional electricity retailers: They buy power from large producers and resell it to local customers. Abandoning that model would reduce those sales and diminish their revenues — and livelihoods.

It's all part of a larger problem with the U.S. energy system that Fenn says exploits consumers to preserve dependable income for utilities, power suppliers and investors.

A century ago, investor-owned utilities were granted exclusive territories and captive customers in exchange for government oversight and an obligation to provide reliable service. Regulators let them charge ratepayers for the cost of building and maintaining the electrical system, including profits for investors. Today, whether customers buy energy from a utility or a CCA, they must also continue paying the utility to transmit and deliver it. On many bills, those charges greatly exceed the cost of generating power.

Fenn's latest project is a rebellious effort to bypass that system — by helping renters and homeowners share clean energy.

In Ithaca, N.Y., a college town of 33,000, Fenn has launched a small but ambitious pilot project called "Own Your Power," hoping to create a national model of grassroots sharing of clean-energy production and storage. Renters and homeowners with shady roofs like me could choose how to participate, either by joining forces to share solar panels, heat pumps, geothermal loops, batteries, and EVs, or buying shares of a project somewhere else. In this way, Fenn aims to "emancipate" ratepayers long squeezed by for-profit, shareholder-owned utilities.

After several years of planning, Ithaca officials and Fenn's business, Local Power, have rolled out a plan to help residents identify potential energy-sharing projects and secure permits and financing. New Yorkers, he says, have been primed for such a stand ever since Hurricane Sandy, in 2012, drove home the threats from climate change. But he insists that a similar movement could thrive in California, where earlier this year failed gubernatorial candidate Tom Steyer campaigned for "localized solutions" for energy.

Some Bay Area cities are already experimenting with local power. On a recent warm early evening, officials in my town of San Anselmo inaugurated our new "resilience hub" — a "microgrid" of solar panels, a battery, and EV charging. The $1.06 million hub, funded mostly by local taxpayers, should pay for itself in 18 years as it gradually lowers the town's energy costs, and in the next outage may help keep essential services running while giving residents somewhere to cool off and charge phones.

"San Anselmo is not simply adapting to the future but helping to define it," Mayor Steve Burdo said at the ribbon-cutting ceremony.

Bringing these projects to completion can be challenging, especially when a powerful utility isn't clearing roadblocks and calling the shots. In East Oakland, "EcoBlock," an initially inspiring effort to wean a city block off fossil fuels, bit the dust last year due to rising costs and local resistance.

PG&E now says it plans to spend up to $43 million in ratepayer-funded grants for nine proposed microgrids serving disadvantaged or vulnerable communities. Yet if our utility really endorsed local energy, it probably wouldn't also have spent more than $13 million to defeat Steyer.

Ultimately, we'll need more than the occasional bold candidate or mission-driven Ph.D. to change the literal balance of power. So, thank goodness for technological progress.

Some EVs now have bidirectional charging capacity that turns them into mobile batteries. Plug-in solar panels promise a new, cheaper way for residents, including renters, to harness the power of the sun. And recently, I learned a new wonky term — nanogrid — to describe a trailer with retractable solar panels, self-generated hydrogen and battery storage. The Michigan-based manufacturer, Sesame Solar, began by selling units to emergency responders and the military, but aspires to branch out to serve businesses, college campuses and communities.

None of this is happening fast enough for me, but it offers some hope. I'm still dreaming of the day I can walk over to my neighbor's house with my plate of cookies and solar-power proposal.

Katherine Ellison is a Pulitzer-prize winning journalist and author and member of San Anselmo's Climate Action Commission.

Jessica Christian/S.F. Chronicle

Under California regulations, property owners with abundant sunlight aren't allowed to partner "over the fence" on solar projects with their neighbors.