The California Alliance for Community Energy (the Alliance) is a statewide network of activists and grassroots organizations committed to the support and defense of Community Choice energy programs that advance local clean energy for the environmental, economic and social justice benefits of our communities.

In pursuit of that mission, Alliance members are deeply committed to the local benefits of decentralized clean energy resources. We believe that the success of Community Choice is realized not just in its ability to provide greener, cheaper electricity. More essential to success are economic development and local jobs, community engagement and empowerment, community energy resilience, and equitable, sustainable energy development that Community Choice can achieve.

2020 Challenges

Under cover of the Covid-19 pandemic, the investor-owned utilities (IOUs), with the assistance of the California Public Utilities Commission (CPUC), strengthened their hold over California’s energy system and intensified their efforts to undermine Community Choice.

In 2020, those efforts took the form of escalating Power Charge Indifference Adjustment (PCIA) fees levied on Community Choice customers, heightened undermining of Community Choice agency prerogatives regarding energy procurement and resilient energy systems, and the attempted dumping of nuclear energy on Community Choice customers.

Meanwhile the Governor and CPUC squandered an opportunity in 2020 to restructure the state’s largest utility, PG&E, which filed for bankruptcy protection against the estimated $30 billion in liability damages from the wildfires the utility caused in 2017 and 2018. Instead, the state rescued the derelict utility at wildfire survivors’ and ratepayers’ expense—a clear signal of the IOU’s political dominance in the state despite their failure to address public needs.

Efforts of Community Choice advocates to fight back against the IOUs were constrained by a near shutdown of the California legislature. What had begun as a session with nearly 40 energy-related bills submitted ended with even the five “emergency” resilience-related bills dropped. This took place even as utility-caused wildfires and power shutoffs loomed on the horizon.

2020 Accomplishments

Despite these challenges, the Alliance ends the year with accomplishments in many areas and a full plate for 2021.

Pushing Back on the PCIA

One of the greatest obstacles to Community Choice realizing its potential to implement a democratized, decentralized energy model has been the ongoing PCIA fee levied on Community Choice customers. This fee has dramatically increased as a result of the controversial October 2018 CPUC “Peterman” Decision, making it a high-priority issue.
• **Alliance Amicus Brief:** In January 2020, the CPUC denied the many formal requests to rehear this decision. In response, the California Court of Appeals was petitioned to review the Peterman Decision. The Alliance supported this petition with its first ever *Amicus Brief*, laying out the CPUC’s increasing use of the PCIA as a weapon against Community Choice and its leadership in meeting the state’s climate objectives. The Court denied this petition in July.

• **Alliance as Party to CPUC Proceedings:** the Alliance was the first party to file a *Protest* against SDGE’s egregious use of the controversial 2018 Peterman Decision as a basis for imposing unconscionable PCIA increases on customers of Solana Energy Alliance, San Diego County’s first Community Choice program. Participating in our first formal proceeding, the Alliance has been filing *Comments* and *Reply Briefs* in this proceeding, and contested the CPUC’s proposed decision in this case.

• **Sunset the PCIA:** In December 2020, the Alliance released our position paper calling for a campaign to sunset the PCIA. *This paper* lays out the many reasons why this fee represents an increasingly potent existential threat to the success of Community Choice programs. See *The Time Has Come to “Sunset the PCIA”*

**Opposing the Dumping of Nuclear Energy on Community Choice**

When PG&E tried to off-load its excess Diablo Canyon nuclear power on Community Choice agencies, the Alliance was the first to explain what was really going on—what the deal actually meant for our communities. As a result, Alliance members throughout PG&E’s territory mobilized against PG&E’s nuclear offer.

The Result: **Eight of 11 Community Choice agencies declined PG&E’s nuclear “offer”, in some cases reversing prior decisions.** This case exemplifies the importance of local organizing, education, and outreach to ensure that Community Choice programs stay true to their commitments. See “Community Choice: A Nuclear Dumping Ground?”

**Advancing Community-Driven Energy Resilience**

Community energy resilience in the face of utility and climate-cause power shutoffs is about more than clean, decentralized technologies like community-based microgrids. To ensure that these new technologies fulfill real community needs, and bring benefit to communities not just project developers, communities need to drive progress toward energy resilience.

In September, the Alliance released our position paper on *Community-Driven Energy Resilience*. The paper explains the concept of community-driven energy resilience, the energy
model needed to support it, the community-based microgrid technology that can implement it, the institutional barriers holding back its development, the actions needed to overcome these barriers, and the important role that Community Choice programs can play in that effort.

Based on the framework in that paper, the Alliance has been actively engaging organizations advocating for community-based microgrid development. This engagement has taken place in conferences, the CPUC microgrid proceeding, campaigns and other venues where we have emphasized measures for community engagement and equity in microgrid deployment policies.

**Exposing the Back Story on the State’s Rolling Blackouts**

When the state was hit with rolling blackouts in August, many people asked why. No one was better able to respond to that question than former CPUC Chair, energy lawyer, and advocate than Loretta Lynch—a veteran of the Enron energy meltdown twenty years ago.

In September and October, the Alliance hosted Ms Lynch at its monthly conference calls to discuss California Independent System Operator (CAISO) actions that precipitated the rolling blackouts, the agency’s current market rules, and whose interests CAISO regulators are serving. The Result: when CAISO released its “Preliminary Report” on the root causes of the blackouts, Alliance members heard first hand, from an expert uniquely positioned to shed light on an arcane and challenging topic, how to interpret the official findings with the skepticism such a self-evaluation demands. See “Enron Part 2: Get Shorty”

**Looking Ahead: Another Year of Coalition-Building?**

As 2020 ends, we look forward to a change in federal administration and the hope of bringing the pandemic under control. Nevertheless, we expect the issues that have dominated the energy ecosystem in 2020 to continue, perhaps with even more intensity, into 2021.

With massive covid-caused budget shortfalls, state legislative and executive branch priorities will focus on restoring fiscal solvency. Community Choice will be challenged to play a leading role in addressing the climate crisis, in building community energy resilience, in furthering deployment of distributed energy resources, in bringing economic, environmental, and social justice benefits to our communities, or in successfully resisting the PCIA’s existential threat to Community Choice agencies.

No matter what 2021 may throw at us, however, the Alliance remains strong and more capable than ever. If Legislative activity remains constrained, we have lots of regulatory venues and Community Choice agencies to engage. Throughout it all, our membership keeps increasing and our members themselves remain active, informed, insightful and ready for whatever action we put before them. Finally, in all venues, we continue to reach out to the diverse voices around us, building the case and the constituency for a clean energy future powered by locally-controlled Community Choice agencies.