

## **RENEW Issue Brief: Toward Community Energy**

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## **Community-Owned Energy Generation and Distribution**

**PROBLEM:** From its earliest roots, utility services have been organized by citizens interested in controlling their own access to energy. Initially, many of these utilities relied on local sources of renewable energy (hydro) for their energy. Over time, however, all utilities outgrew their renewable roots and invested heavily in large-scale generation of fossil fuels. Their preference for fossil fuels continues to this day; three new coal plants have been added in the last 10 years. Meanwhile, increasing numbers of citizen-customers now question the economic and environmental sustainability of these investments. They are taking matters into their hands by investing in on-site renewable generation and/or purchasing renewable electricity from their local providers. Unfortunately, current utility practices have the effect of discouraging citizen and business participation in the (local) renewable energy marketplace, through such actions as:

- Favoring out-of-state sources of renewable electricity over local sources;
- Discouraging third parties from building renewable energy systems to serve host customers;
- Increasing the premiums associated with voluntary renewable energy purchases; and
- Supporting bills that would weaken Wisconsin's Renewable Energy Standard by diluting the value of renewable energy credits.

The result is a growing lack of citizen confidence in policies that presume that utilities should be the principal source of renewable electricity in Wisconsin.

**NEED:** A portfolio of citizen and business strategies for bypassing incumbent utility service providers through self-provisioning of citizen-owned microgrids, as well as community solar and wind projects. This should also include strategies of competitive leverage that force utility service providers to be more responsive to citizen demands where capacity for self-provisioning is not present.

**BENEFICIARIES:** Residential energy customers, commercial and industrial energy customers, nonprofit energy users, municipalities, farmers, local installers and contractors specializing in solar electric, solar hot water, small wind, hydro and biogas systems.

**OUTLOOK FOR 2012:** While clearly a long-term project, some municipalities and businesses have begun exploring opportunities for new arrangements that involve small-scale renewable generation and the aggregation of renewable energy credits. This kind of framework could gather momentum throughout the year and become, over time, the principal driver for a robust renewable energy economy using local capital and labor.