

California Energy Coalition

Energy Cooperatives

The California Energy Coalition (referred to as CEC and "the Coalition") is a unique organization that was established by a third party to coordinate the energy use of large commercial and industrial customers and to broker this service to Southern California Edison and other utilities. The CEC was created by and for large commercial and industrial energy users who want to act responsibly to shed load at times of utility capacity constraints through sophisticated management of their facilities. By coordinating their efforts, these users can respond collectively with a high degree of individual flexibility and reliability. Sometimes one member will compensate for another's inability to meet load reduction targets when called by the utility. At other times the same member may not be able to meet the "firm service level" ascribed in the "load reduction game plan."

The California Energy Coalition has created a process whereby large users can fulfill the dual goals of enhancing their own bottom line through wise energy management while serving as responsible corporate citizens. The CEC's charter was to provide load management services and "outreach" services for its members. The latter has evolved into a major emphasis on energy efficiency; in fact a large fraction of the CEC's revenue comes from energy efficiency initiatives. The CEC has effectively brought major energy users "on board" with profitable load management and then has provided services for members to further enhance their "total energy efficiency management"; a blend of "fuel-neutral" energy efficiency measures and heightened operational awareness and control.

Because all incentive payments are the direct result of measured data, this profile has a high degree of accuracy for savings and costs. The energy efficiency savings that result as members join in the broader energy cooperative process are approximated and thus can only be presented as qualitative information. For 1991, the Coalition provided Southern California Edison with 14 MW of summer peak capacity at a total cost to SCE of \$365,000. The CEC has also developed energy cooperatives for PG&E, Long Island Lighting Company, Boston Edison, and now for Commonwealth Edison. Each of these cooperatives has evolved differently, providing fertile ground for comparisons.

The most important lesson learned from energy cooperatives is that a third party broker, such as the CEC, can effectively motivate its members to continually refine their energy management and capture greater and greater efficiency over time. The CEC has provided an effective, low-cost means for major energy users to profit from load management and energy efficiency.

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CALIFORNIA ENERGY COALITION Energy Cooperatives	
Sector:	<i>Large Commercial / Industrial</i>
Measures:	<i>Load management, efficiency measures, and operational strategies for large users</i>
Mechanism:	<i>The Coalition collectively manages the power demand for a diverse pool of large users and is paid for the service by the Southern California Edison Company (SCE)</i>
History:	<i>Begun in 1982, contracts until 1997 and 2003</i>
1991 PROGRAM DATA	
<i>Average peak capacity contribution: 13,977 kW</i>	
<i>Cost: \$364,899</i>	
1982-1991 DATA	
<i>Average peak capacity contribution: 3,907-15,704 kW</i>	
<i>Cumulative cost: \$4,095,301</i>	
<i>Participation rate: 1.5%</i>	

The Results Center produced 126 profiles of the most successful energy efficiency and renewable energy programs in the United States and around the world in the early and mid 1990s. With the support of the John D. and Catherine T. MacArthur Foundation, Ted Flanigan directed a research team at Colorado-based IRT Environment to produce and distribute these exceptional examples. Thanks to strong demand for solid case studies, The Results Center was supported by dozens of major utilities and energy associations worldwide. Today, The Results Center is managed again by Ted Flanigan, now at California-based EcoMotion Incorporated, a firm focused on strategic consulting, information dissemination, program design, outreach services, and aggressive implementation. To nominate highly successful programs, contact: The Results Center, c/o EcoMotion, 15375 Barranca Parkway, F-104, Irvine, CA 92618, (949) 450-7155, or TFlanigan@EcoMotion.us