

Our choices have consequences

By David Allen
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For its electricity supply, Concord needs to move over time from fossil fuels to renewables. That is clear. Article 64, for the forthcoming Town Meeting, is a stalking horse to erect a solar array across some acres of Concord land.

How should Concord proceed?

We stand at the beginning of, effectively, years of new choices. Several technologies are pretenders to a new energy throne — but we do not know which one, or several, will succeed.

And as always we have a limited pot we can bet among those options. In Concord's case, this money constraint is palpable. Competent authority indicates our town will begin to approach its debt capacity, with a new 10's-of-million-dollars high school on the horizon.

Translation: choices we make now may effectively preclude choices later. Implication: our homework is of the essence, to make sound choices, now and later.

To vet alternative technology options, we must calculate with real costs. Subsidies, such as those available for solar, may be useful to kickstart a new technology. But when we are choosing among the options, we must see honestly what each will cost over

their lifetimes — before any subsidies.

And, for the case of solar, besides always-scarce funds, we also would commit Concord's most scarce resource — land, in fact sizeable chunks of it, for decades.

Finally, going it alone can show leadership. But sometimes the best options lie outside our borders and/or require joining hands with others to aggregate the capital. Particularly, thinking too small can effectively lock available capital into subpar choices that degrade our living standards.

From this, we can see what we must have, if we are to make a sensible choice:

- A competent array of the different new options.

- True costs of the future alternatives, before subsidies, set comparatively against each other.

- The lumpiness of investment and its availability, locally or otherwise, which points to whether and where joint projects are necessary outside of Concord.

- The inevitable concomitant considerations for different technologies — from the everyday if essential, such as local craftsmen with the skill, to the political, such as the history with nuclear.

Sadly, process has interdicted substance for Article 64 — it wafts whiffs of the town's unfortunate experience with the Morgan Stan-

ley contract, from 2007.

At that time three years back, a fad swept a number of towns, with the idea that Wall Street was the place to buy electricity. Concord followed this Pied Piper notion, with a \$36 million bet. Amidst the Wall Street implosion, the siren call of speculating in natural gas futures turned into a screech. Morgan Stanley, in actuality, was principally trading for its own account; customers like Concord served that end. Against a reasonable benchmark, the town's economy will as a consequence pay \$2.3 million more than it might.

Once again today, as then, apparently there is another fever — now, for deals with financial intermediaries, to bring solar into towns.

Also as before, the transparency that begets trust has been shortchanged. The subject of Article 64 is supply of electricity in town, of course a core concern of the Concord Municipal Light Plant board. But a member of the CMLP board is now on record, that Article 64 was detailed to him only months after it was formulated.

This echoes experience with the Morgan Stanley contract, where the CMLP board learned of that contract only after its being let.

A "fever," and its urgency to act blindly, puts a blanket over and obscures realities that are essential for good choice.

The corrosion of trust, in town processes, can vitiate citizen confidence in any pronouncements.

Consider: Data, now teased out by the concerns above, suggests that solar could be, over its lifetime, twice as expensive as wind, or more. And there is a wind project in Maine that could supply a substantial portion of Concord's renewable power, perhaps even beginning this year.

Is there a cost to wait until next year, so that we can get a competent analysis of Concord's options? Because of possible declines in capital costs, we may even do better RE solar by waiting a year.

We would feel like fools, if we rushed to buy in a new fever — only to find after the fact we should have made a much better choice. And we will shore up trust in all town process if respect for the deliberative process is rekindled in this case.

Documents underpin the recitation of various data points above. You will find the documents at <http://solar.concord-trustingtheprocess.org>.

There are similarities with the Morgan Stanley episode, unfortunately. But there is also a fundamental difference. We never needed Morgan Stanley. But we cannot afford to get wrong our choices about new energy sources.

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