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[Energy](#)

What the Energy Sector Can Learn From Uber



TODD MYERS: For most Americans, the type and price of energy they must buy is dictated by their local utility.

Things are changing, however. Following the lead of crowdfunding and the sharing economy, people now have more control than ever over the energy that reaches the grid. Just as the Uber app allows people to choose the quality and price of their taxi while increasing supply, other smartphone apps and crowdfunding can help determine what type of energy reaches the grid.

Advances in this area are increasing investment funding for energy innovation.

For example, Cloud Solar is a crowdfunded startup allowing people to invest in a portion of a solar farm in sunny parts of the country. Instead of putting a panel on your roof where clear weather is rare or marginal, you can invest in a project where the panels will operate at peak efficiency. Cloud Solar still relies on generous taxpayer subsidies to make the finances work, but if demand for solar increases due to projects like this, policy makers should soon be able to cut government subsidies.

Moving beyond solar, smartphone apps could allow people to invest in other renewable sources of energy, like landfill gas. Already people can purchase renewable energy credits (RECs) to support the generation of green sources of energy.

The particular electron flow that you help generate would never reach your house. It is no different from a bank, where the dollar bills you take out are different from the ones you put in, but of course that doesn't matter to the consumer.

States that require consumers and utilities to meet strict renewable energy targets could slowly shift to crowdsourced approaches like these. The environmental benefit would be the same, but it would be fairer, relying on funding from voluntary investments rather than imposed tight regulations and taxpayer subsidies.

By giving consumers more options, Uber-izing energy investment holds the promise of creating a fairer and more innovative energy sector for everyone.

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