

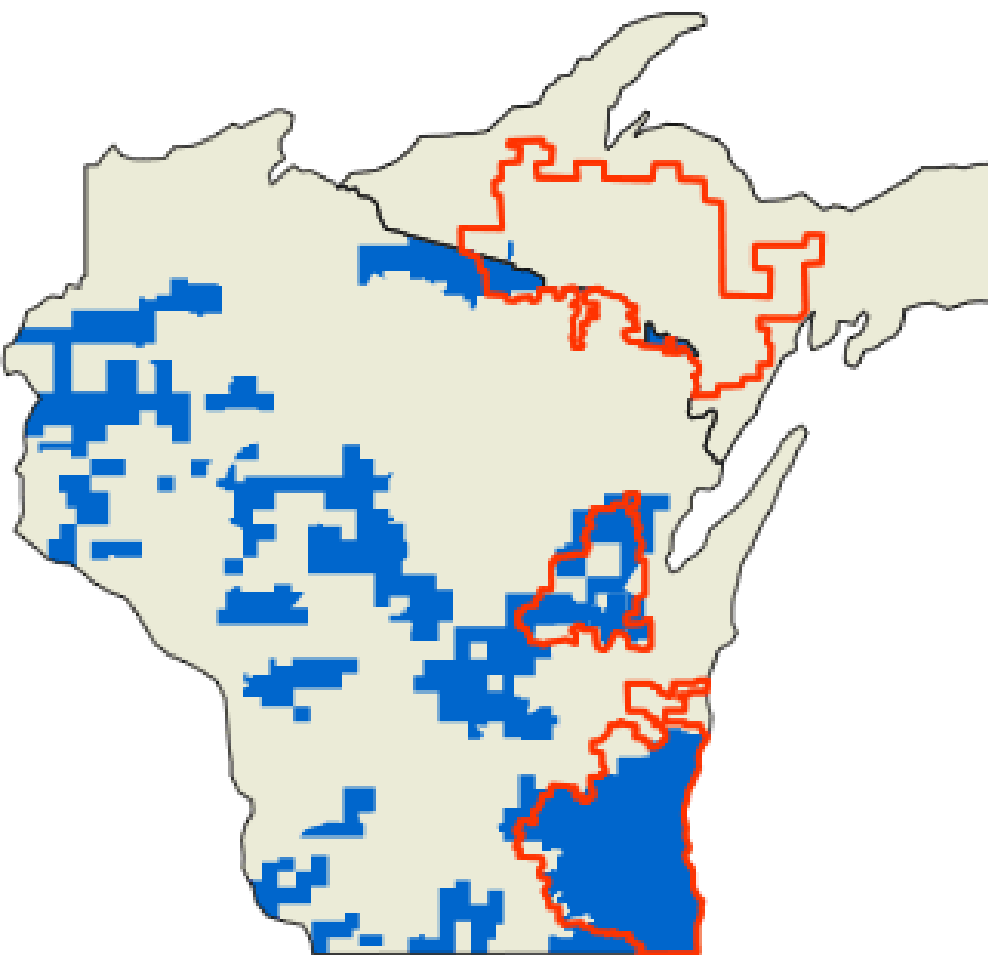
# Utility Green Power Marketing 2.0: Evolution and Reinvention

## Uncovering the Issues

Jessica Thibodo-Johnson  
We Energies  
September 14<sup>th</sup>, 2009



# We Energies Service Territory



- We Energies: Gas Service Area
- We Energies: Electric Service Area

**Electric Customers:** 1.13 million

**Gas Customers:** 1.06 million

**People Served:** 2.4 million

**Service Area:** 18,410 square miles in Wisconsin 5,055 square miles in Michigan's Upper Peninsula

**Steam Customers:** 454 in downtown Milwaukee

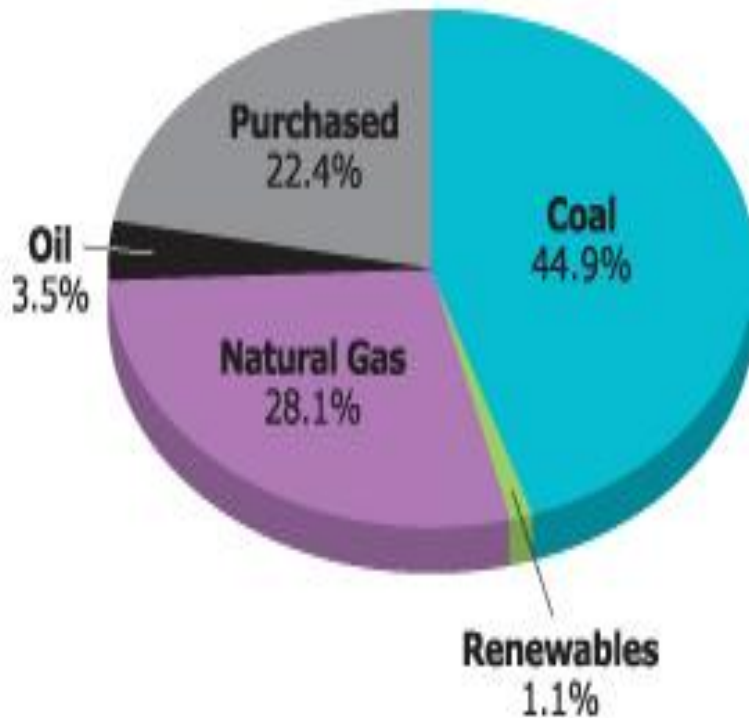
**Number of Employees:** 4,800

**Peak Electric Demand:** 6,505 MW

**Peak Natural Gas Demand:** 17,887,420 therms

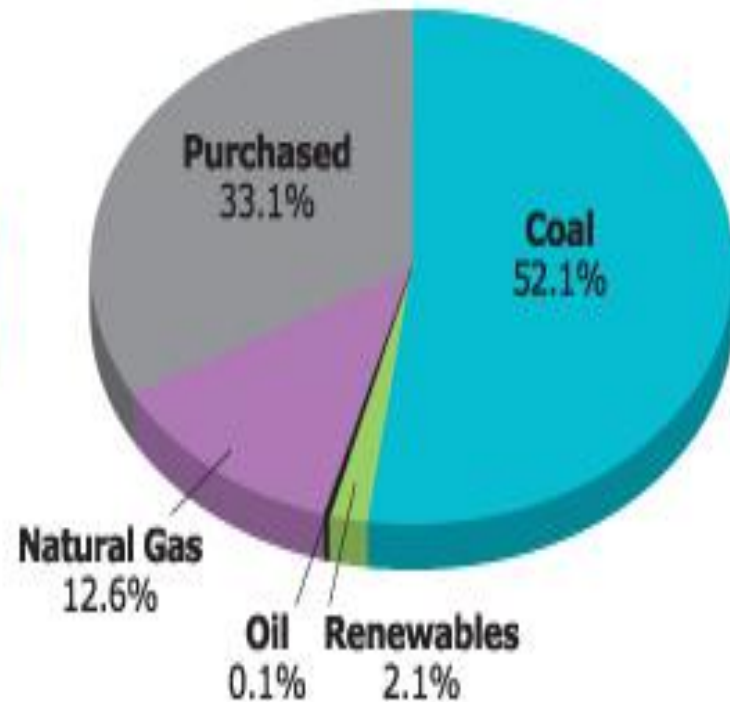
# We Energies Production by Fuel Type

2009 Generating Capacity by Fuel

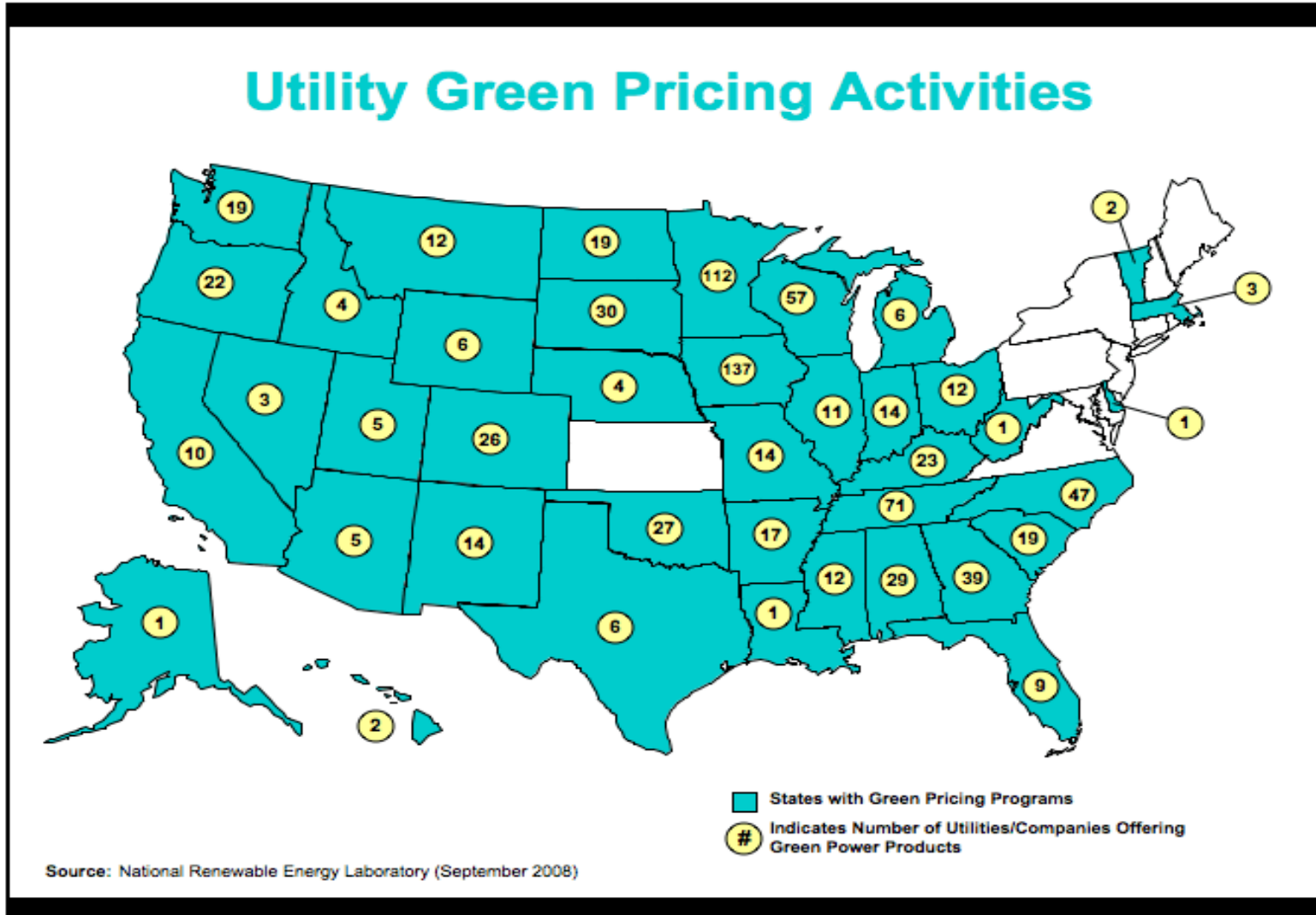


2009 Energy Production by Fuel

Actual: January-June  
Forecast: July-December



# States with Green Pricing Programs



# Energy for Tomorrow<sup>®</sup> (EFT) to date

- The oldest utility green pricing program in North America
- Green-e certified
- Over 19,000 residential customers enrolled – about 2%
  - Premium of 1.37 cents/kWh
  - Option of 25%, 50% or 100% participation level – an average of \$5.14/month at the 50% level.
    - 4,792 customers @ 100%
    - 5,382 customers @ 50%
    - 9,392 customers @ 25%
- Over 750 business customers
  - \$0.01/kWh for purchases greater than 70,000 kWh/mo.



# Program Information

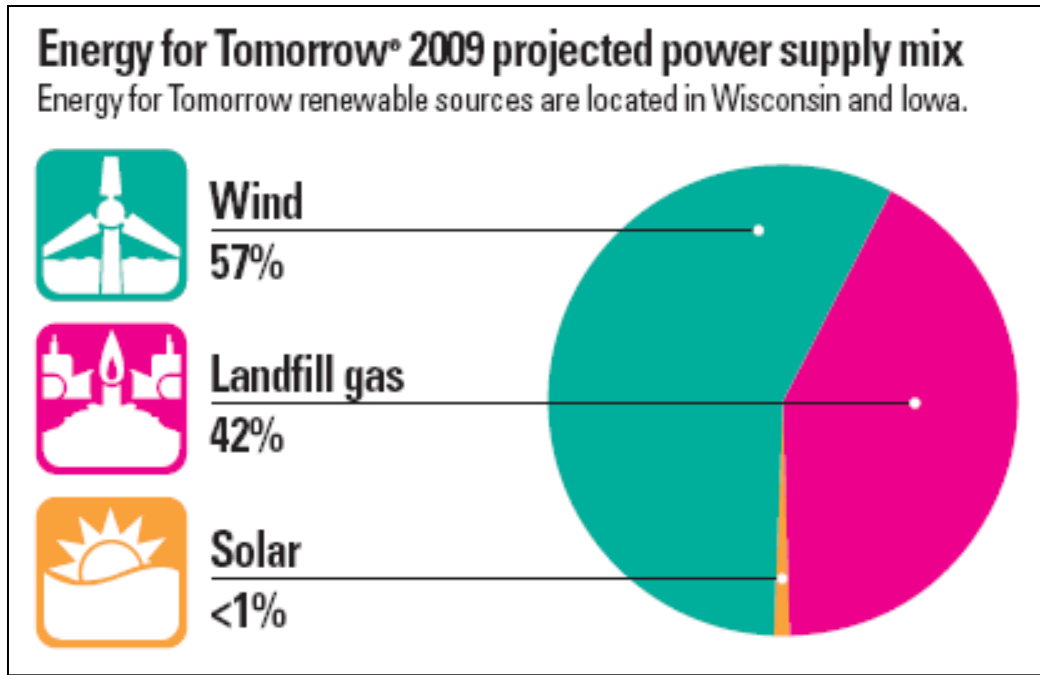
## Energy for Tomorrow Resource Mix

- 76 MW Wind\*
- 15 MW LFG
- 750 kW Solar

**98.5 MW in program**

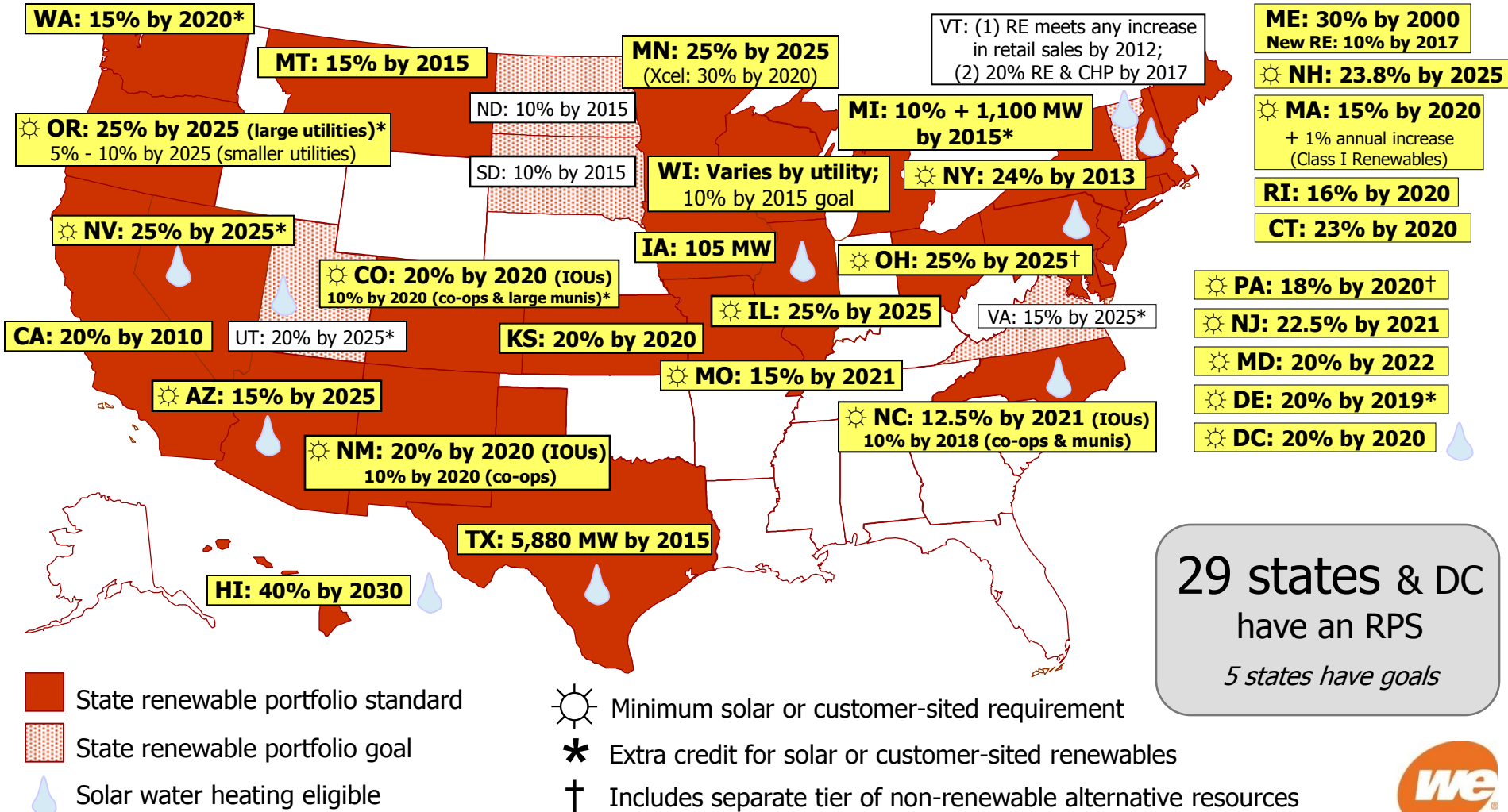
\*Includes We Energies wind projects and wind credits (RECS) from Iowa delivered to WI

<http://www.renewwisconsin.org/>



# Renewable Portfolio Standards

[www.dsireusa.org](http://www.dsireusa.org) / September 2009



**29 states & DC**  
have an RPS  
*5 states have goals*



# Wisconsin's Current Renewable Portfolio Standard

Target is ~ 10% by 2015

## We Energies Targets

- Today – 2.27%
- 2010 – 4.27%
- 2015 – 8.27%



We Energies Blue Sky Green Field Project  
January 22, 2008

**900MW of wind to meet RPS**





# So what is the issue?

Can a Green-e Green Pricing Program survive under the constraints of price, increased RPS, possible Federal legislation and change in regulatory attitudes?

Or will they be soon be a thing of the past for regulated utilities. And does it matter??



# Why is this the issue?

- Balancing act between per MWh that is used for RPS compliance and EFT while still meeting both program requirements
- Green-e requirements puts upward pressure on prices as the **newest** generation is the most costly
- Some regulators are starting to conclude that a GPP is not necessarily a regulated activity in that anyone can sell REC's



# Why is that the issue cont...

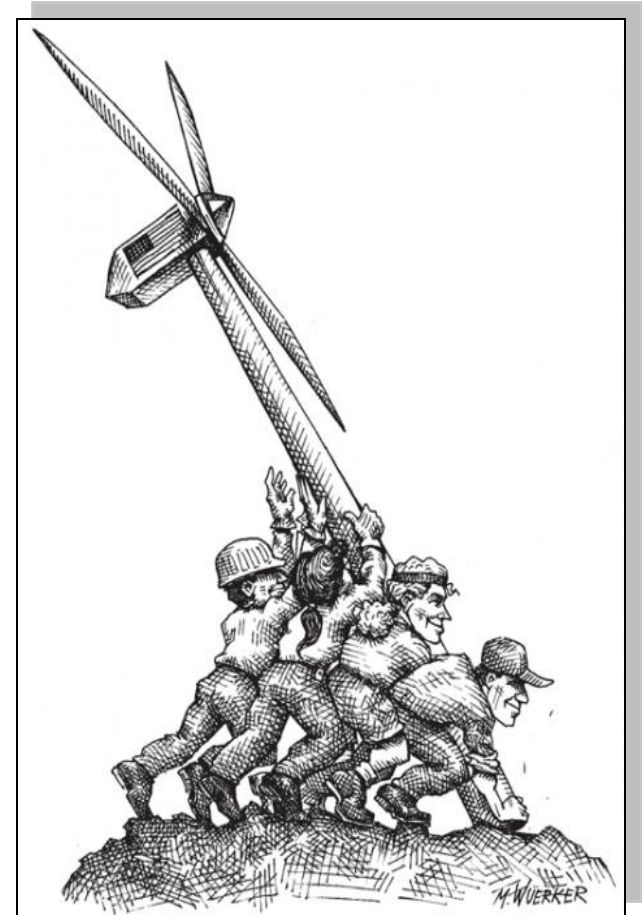
Not only constraints in meeting energy needs, also constraints with building local renewable projects

## ■ Price and Opposition

- With increase project opposition, price per MW increases or projects die
- Financing for some parties is hard to find for renewable energy (RE) projects

## ■ Regulations and impact on customers

- Policy – supporting RE or not supporting RE??
- Increase price = concerns about impact on customers



# Plus other factors effecting GPP pricing

- Decreasing demand for electricity
- Reduction in the cost of fossil fuels has widened the gap between RE and traditional energy
- RE project costs have not decreased significantly
- REC Prices and National Marketers



# So what next for GPP and EFT??



The UNCERTAINTY



**But, we will survive!!**





[we-energies.com/EFT](http://we-energies.com/EFT)

[we-energies.com/RE](http://we-energies.com/RE)