



Environmental Programs and Renewable Energy Markets

Presented by

Ian McGowan

3Degrees™



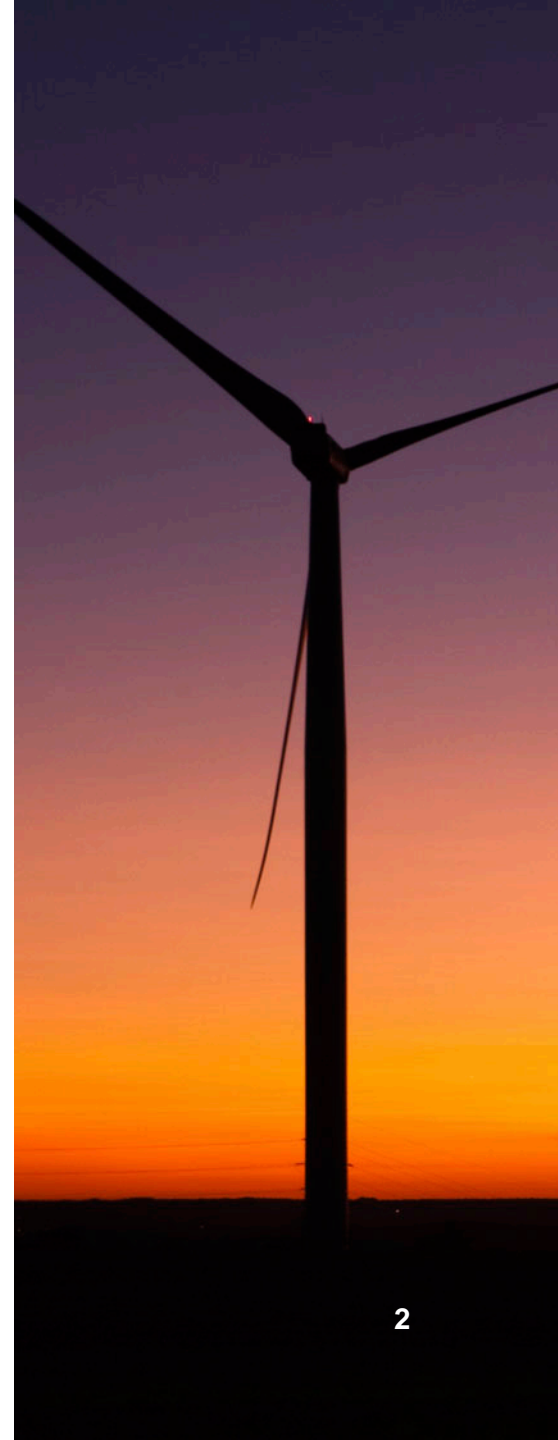
Agenda

Introduction to 3Degrees

Why We're Here and Why It's Important

Market Evolution

Issues of Clarity



About 3Degrees

3Degrees is a renewable energy and carbon retail, trading, and advisory firm with a mission to mitigate the effects of climate change

Who we work with

- Utilities, Fortune 500 organizations, governmental agencies, nonprofits, renewable energy and carbon project owners
- Starbucks, Safeway, Whole Foods, Adobe, Northwestern University, the Environmental Defense Fund and many more
- Renewable Energy Markets Association, USGBC, The Climate Registry, and others

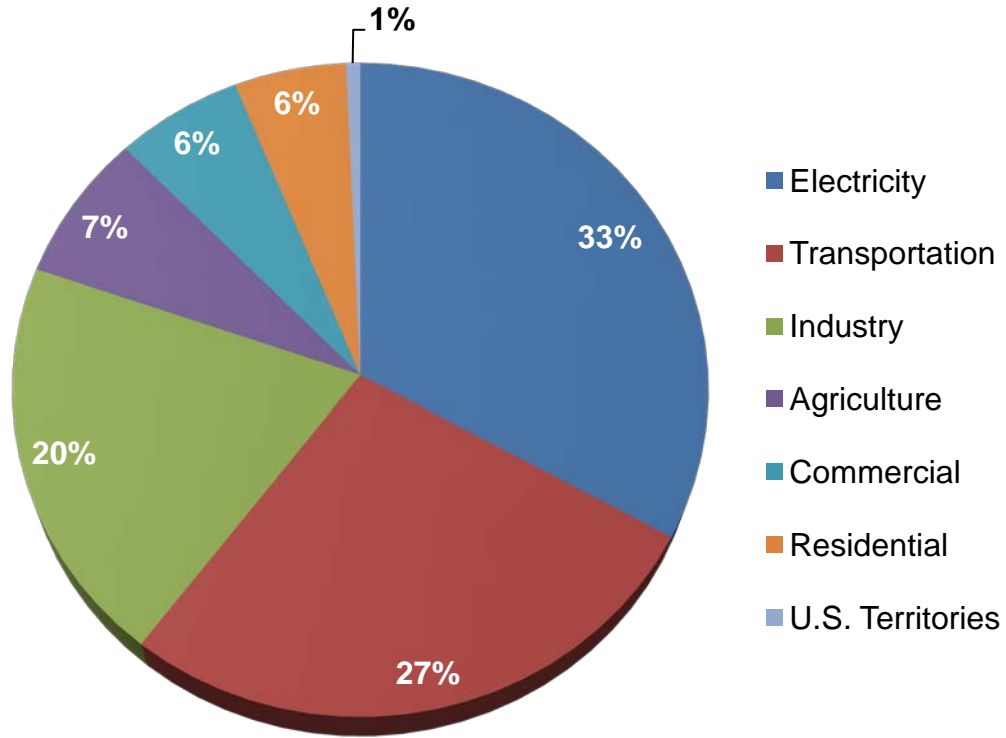
Recognition and Honors

- U.S. Department of Energy, Non-Utility Green Power Supplier of the Year, 2007-2011
- Acterra, Environmental Enterprise Award - Small Company 2009
- Environmental Finance, #1 REC Trading Company, North America, 2010
- Ranked #11 on the 2010 Inc. 5000 List of America's Fastest Growing Environmental Services Companies



The Challenge

2009 U.S. GHGs by Economic Sector



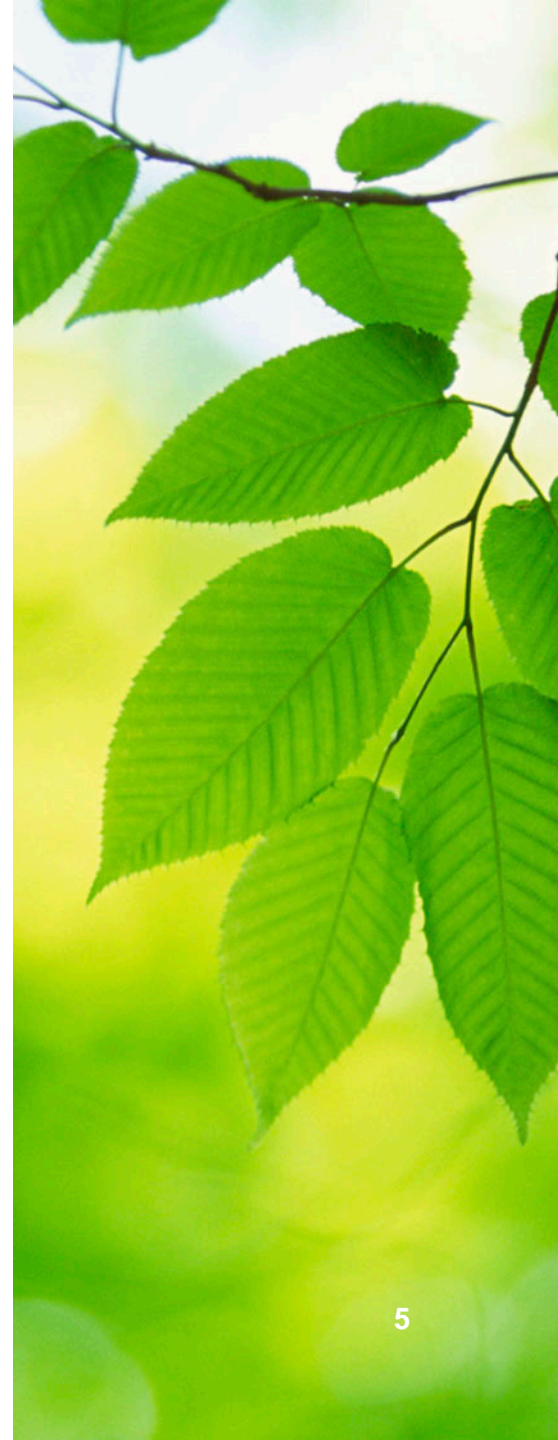
Source: EPA

The Opportunity

2010 U.S. Power Mix

4.1%
Renewable

Source: EIA



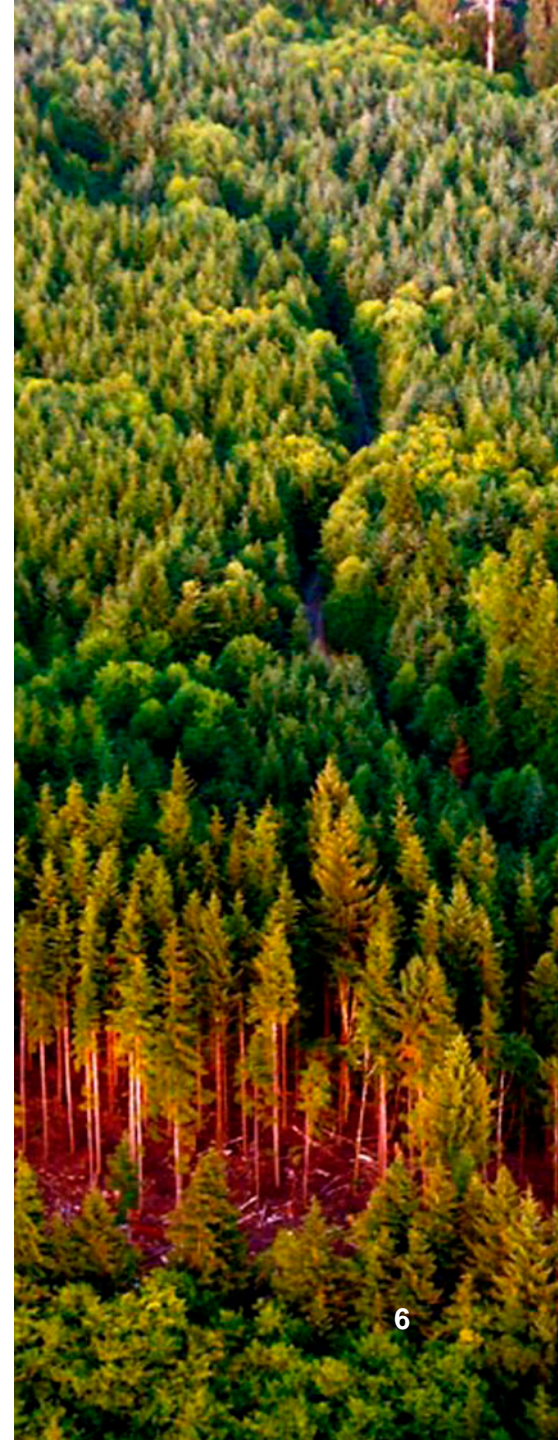
Growing Customer Sophistication

Long-term VRE market participants

Comprehensive sustainability strategy

Deep knowledge around energy procurement

- Energy product familiarity
- Cost-effective deal structuring
- Marketing and claims awareness



Case Study: Whole Foods

Reduce

- Smart refrigeration, state-of-the-art lighting and controls systems.
- Earmarking \$10 million over the next 18 months for additional retrofit and upgrade projects
- 30 Stores are LEED or Green Globes Certified

Renew

- 15 stores with on-site solar
- Power usage 100% matched with Renewable Energy Certificates (RECs)

Recognition

- 3rd largest purchaser in EPA Green Power Partnership
- Top Food Service Company in Climate Counts
- 9th in Retail Sector in Newsweek Green Rankings
- Member, Dow Jones Sustainability Index North America

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New Programs: Opportunities and Challenges

Opportunities:

- Build market awareness
- New demand for renewables
- Recognize achievement

Challenges:

- Less energy/renewables expertise
- REC treatment
- Potential for customer confusion
- Lost opportunity to address largest source of U.S. GHGs

Established programs incorporate and reflect market conditions and instruments



The Need for Program Clarity

REC Usage:

- Unique right to claim emissions (or lack thereof) associated with 1 MWh of grid-connected renewable energy
- Energy product, so only scope 2

REC ownership:

- If you don't own it, you can't claim it
- Verification is important.
- Roles of a tracking system vs. audit



More Program Clarity

Electricity ownership

- Null power is not renewable. REC sale means that claiming right is gone.
- If you don't own the REC, you can't claim it

Marketing claims

- Not accounting focused, but important
- FTC, NAAG, and Green-e

Thoughtful structure and clear ownership from new programs can stimulate VRE demand.

Contact

Ian McGowan

T: 415.370.6489

imcgowan@3degreesinc.com

