



Center for Resource Solutions

2010

ANNUAL REPORT

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For clean energy advocates, each year has been better than the last.

Not that long ago the case for clean energy was hard to make for those focused on the short-term bottom line. Solar was too expensive, too inefficient. Wind was hard to site, and also very expensive. Today, with costs falling from increased manufacturing orders, technological improvements, and policy and regulatory market supports, even if your sole focus is the bottom line, clean energy is looking better than ever.

2010 also saw the most progressive action we have ever seen to reduce the emission of greenhouse gasses and other pollutants at the state and federal levels. But, the real victories weren't in legislation passed into law (much of it did not, including a Federal clean energy standard and cap and trade program). It was in the discussions that we did not have to have any more—such as why we must transition away from fossil fuels, and the many benefits clean energy brings, from improved health to lessening the amount of money we send overseas to feed our energy habit. Instead, the debate focused on how much we were willing to spend on clean energy and what tradeoffs were acceptable to both sides. Small

victories, perhaps, but indicative that much of the decades-long education campaign many of us have been waging is finally bearing fruit.

In California, which gets the gold climate star for 2010, the landmark Global Warming Solutions Act (AB 32) began rulemaking for the goal of reducing emissions to 1990 levels by 2020. Renewable energy under AB 32 got a boost by the efforts of a dedicated CRS-led coalition advocating for a “set-aside” in the state’s cap-and-trade program for renewable energy purchased in the voluntary market. This set aside means that voluntary purchases will adjust the cap downward, reducing overall greenhouse gases and making renewable energy count.

The California Air Resources Board included the renewable energy set aside in the program rules, a real victory for individuals and organizations who choose green power.

This year was also the best yet for our three Green-e programs, with Green-e Energy seeing a 23 percent increase in certified retail sales

Letter From the Executive Director

over the previous year. More than ever before, consumers are looking for the products they buy to be manufactured, shipped, and sold in a more sustainable way, including using renewable energy. In October, the Federal Trade Commission (FTC) released proposed guidance for companies that want to market their renewable energy use. CRS was involved with the FTC from their early review stages to provide input on best practices for renewable energy claims and ownership. One key takeaway: independent third-party certifications like Green-e are endorsed for consumers looking to judge the environmental performance of the products they buy.

We are always looking for better ways to help educate consumers about the importance of clean energy and how to use it at their homes and businesses.

This year CRS launched an innovative consumer-focused campaign to do just that. Buy Clean Energy (www.buycleanenergy.org) encourages individuals and organizations to reduce their electricity use and buy certified renewable energy through a simple three-step process: find out how much electricity you are using, buy renewable energy through a simple zip code lookup feature, and then add your name to the roster of participants showing their support for clean energy. It continues to be an effective campaign that demonstrates how to clearly communicate and promote renewable energy purchasing for everyone.

In December, after nearly a decade with CRS, I accepted the Board's offer to become CRS's executive director. I look forward to increasing CRS' impact in promoting sustainable energy and ensuring its continued success. Since its founding, CRS has served several important roles in the market, both behind the scenes in guiding policy and market activity, and out front with well-recognized certification programs that catalyze clean energy action by consumers and organizations. This has always been the promise of clean energy: getting the power you need without incurring any environmental debt. It's something that's helping us all breathe a little easier.



Jennifer Martin
Executive Director

In over ten years of service on the CRS board of directors,

I have seen this organization ascend from modest beginnings to become a powerful force in the renewable energy industry—a sector that has transitioned rapidly from niche player to investment darling. However, renewable energy is much more than just a smart investment—it is widely understood to be the future of global electricity generation.

Our energy service needs increase every year, and new sources of electricity must be built. The smart money is not headed toward digging, drilling, or mining, but in harnessing the natural forces around us.

Renewable energy is a sophisticated solution to the environmental debt we have imposed on ourselves since before the industrial revolution. The irony, of course, is that it has been here the whole time.

Organizationally, CRS emerged from 2010 on solid footing despite the difficult financial climate that affected U.S. businesses this past year. Its Green-e programs saw another

year of double-digit growth, and staff achieved many victories in the clean energy sector, reaffirming CRS's role as a leading champion for policy and market solutions to advance sustainable energy development.

We welcomed two new board members who began their terms at the beginning of 2011, Ellen Feeny and Randy Swisher. Ellen is Vice President of Responsible Livelihood for WhiteWave Foods, where she oversees the company's corporate sustainability initiatives, including the creation and implementation of strategic environmental programs, community involvement efforts, nonprofit alliances, and WhiteWave's employee engagement program. Randy has been a renewable energy advocate since 1975, and recently retired after 20 years of service to the American Wind Energy Association (AWEA) as Executive Director. He grew AWEA from a handful of staff to a 70-person organization with an operating budget of \$30 million. Randy is widely regarded as the voice of the wind industry in the U.S. and as the industry's principal policy strategist.

Letter From the Board Chair

The CRS Board also extended an offer to Jennifer Martin to assume leadership at CRS as Executive Director, a position she accepted in December 2010. Jennifer understands this role well, having worked with CRS for nearly ten years. She was our first choice to lead this organization, with the experience, vision, and skills to usher CRS into the next decade and to fully realize its potential to transform the renewable energy sector. She has the full confidence and support of the Board, and I look forward to working with her for many years to come.

This annual report, while a comprehensive accounting of CRS's activities in 2010, cannot fully describe the impact CRS has on the people and organizations that make up this tight-knit and fast-growing industry. I am proud to continue to serve this nonprofit organization because I know that without the confidence it inspires in the households and businesses that choose to support clean energy, we might still be looking at the ground for answers, instead of the sky.



Karl Rábago
Board Chair

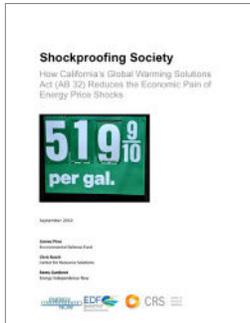


As California continued to lead the country in developing policy solutions

to reduce greenhouse gas emissions and promote new renewable energy development, CRS helped lead a broad coalition of support for climate-friendly policies while guiding policymakers' thinking about the economic implications of potential regulation. CRS was instrumental in the inclusion of a voluntary renewable energy set aside in the design of the scoping plan adopted to implement the 2006 California Global Warming Solutions Act (AB 32). This set-aside ensures that renewable energy purchased by individuals and organizations will result in the cap being

lowered, and real greenhouse gas reductions taking place. The set aside will support the continued growth of voluntary purchases of renewable energy from both distributed generation and utility-scale facilities in the state. Such purchases represent private funds invested in expanding clean energy generation in California. Clean energy development has been one of the bright spots in the California economy. Policy choices to support continued growth only make sense, and CRS applauded the California Air Resources Board (CARB) for their decision.

In September, CRS staff co-authored a paper that studied for the first time the impact AB 32 could have on reducing the impact of oil price spikes on the California economy.



Shockproofing Society: How California's Global Warming Solutions Act (AB 32) Reduces the Economic Pain of Energy Price Shocks found that California's clean energy and clean air standards could protect consumers and

businesses significantly from the volatile prices of oil and natural gas. The U.S. economy has experienced five price shocks in the last 30 years when crude oil prices rose an average of 179% in just one year, and this study analyzed how much more Californians would pay if wholesale crude oil and natural gas prices doubled at the start of 2020 and stayed there for a year.

The paper made a significant impact by framing the messaging around AB 32 and bringing the likelihood of a price spike into the discussion as a demonstrated piece of accepted and conventional economic wisdom.

The price-spike scenario was used successfully in statewide print and television ads, and the paper bolstered policymakers appreciation of energy-security benefits while providing them with science-based analysis to support the measure.

On the Federal level, we saw a long-awaited proposed revision to the Federal Trade Commission's *Guides for the Use of Environmental Marketing Claims*, or "Green Guides." These guides explain the appropriate use of environmental terms on product packaging and websites, with updated

sections specific to renewable energy claims. During the FTC's regulatory review phase in 2008, CRS was an invited speaker at the FTC workshop on renewable energy and carbon offsets, and submitted comments on updates to the *Guides*—many of which were incorporated into the draft proposal released in 2010. While our comments asked for further clarification in some areas, we wholeheartedly support the FTC's goal of mandating transparency in marketing claims so consumers can choose environmentally preferable products with confidence.

We were also pleased to participate in other regional rulemaking initiatives, including submitting comments to CARB regarding the rights of REC owners and status of RECs as property. CRS's active and effective participation in these rulemakings helped educate regulators about the important role of RECs and support strong and transparent renewable energy markets.



Green-e Climate

Green-e Climate is the only consumer protection and certification program for carbon offsets offered by retail sellers in the voluntary market. In 2010, sales of Green-e Climate Certified carbon offsets resulted in over 202,000 metric tons of CO₂-equivalent reduced, a nearly 15% increase in reductions since 2009. Even where robust project standards and certification programs exist in the market, there is a transparency gap between end-use consumers purchasing from offset retailers and the project where the reduction occurs. Green-e Climate certification fills this gap by ensuring that certified offset products contain only verified reductions from projects that meet high-quality, endorsed standards, and that participating offset sellers obtain and retire correct volumes and types of emissions reductions on behalf of their customers based on what was sold, preventing double-selling.

Green-e Climate is the only offset certification program that covers the entire chain of custody of reductions. It also sets and enforces customer disclosure requirements to ensure offsets are as advertised and that full and accurate information is provided to the consumer. The program streamlines all of the vital elements of a credible offset into a single, consumer-facing certification mark and provides the average offset purchaser with the assurances needed to make an effective purchase. The program is intended to strengthen and improve credibility in the voluntary carbon

market and thereby promote the use of carbon offset products by individuals and companies to reduce their greenhouse gas footprints.

Green e Climate's quality environmental and consumer standards are developed through an open stakeholder review process and overseen by an independent governance board of industry experts representing diverse stakeholders.

Green-e Energy

Green-e Energy is the nation's leading voluntary certification program for renewable energy. For over a decade, Green-e Energy has been certifying renewable energy that meets environmental and consumer protection standards developed by CRS in conjunction with leading environmental, energy and policy organizations. Green-e Energy also requires that sellers of certified renewable energy disclose clear and useful information to potential customers, allowing consumers to make informed choices. Through robust standards and consumer confidence, Green-e Energy fosters a market for renewable energy that allows aggregated consumer demand to help drive a shift in U.S. electricity production.

In 2010, Green-e Energy certified over 23 million megawatt-hours of retail renewable energy sales, a 27 percent increase over the previous year. Nationally, over two-thirds of voluntary renewable energy retail transactions were Green-e Energy

23,000,000

In 2010 Green-e Energy certified over 23 million megawatt-hours of retail renewable energy sales, a 27 percent increase over the previous year.

Certified, with nearly 600,000 residential and commercial customers voluntarily purchasing certified renewable energy.

Green-e Marketplace

Green-e Marketplace works to increase organizations' use of renewable energy through education and by licensing the Green-e logo to leading users of green power. Participants in the program represent a wide diversity of industries, including health care, paper products, electronics manufacturing, storage, and professional sports teams. In 2010, Green-e Marketplace launched re:print, a supply-chain initiative that enables organizations to minimize the environmental footprint of their print materials and display the Green-e mark by sourcing from both Green-e Marketplace certified printers and paper manufacturers.

The Green-e logo appeared on more than 500 products nationwide in 2010 with major product commitments from companies such as Becton Dickinson, Garden of Life, and Santa Cruz Organic. With recognized organizations such as Office Depot, NASCAR's Darlington Raceway and Portland Fashion Week joining the program, Green-e Marketplace continued to increase its national prominence in 2010.



Green-e

*The Green-e logo continues to be one of the top 5 most recognized ecologos in the country, and the top non-governmental logo.**

*according to the 2009 BBMG Conscious Consumer report

Clean Energy Initiatives



Expert Assistance

CRS continued to be a source of valuable information and experience for organizations and agencies that looked to us to provide expert assistance. This is a capacity that CRS has served in since its founding. Staff work on advisory committees for renewable portfolio standard efforts, several regional renewable energy tracking systems, and other nonprofit organizations.

CRS is also part of a multi-disciplinary team that is assisting the Department of Defense (DoD) in evaluating cost and greenhouse impacts in how it manages its real estate portfolio globally. The DoD is the second-largest land owner in the world (after the government of China), and much of its building stock is aging.

As the DoD expands its office use, CRS is helping to provide the agency with a tool to determine the cost and carbon impacts of maintaining these older buildings as-is, retrofitting while complying with historic building rules and applicable facility standards, completing a major retrofit that incorporates many energy efficiency upgrades, or demolishing the existing building and replacing it with a new energy-efficient one. CRS's role on the team is to provide the carbon footprint analysis for the project. CRS is investigating and including the supply chain effects of construction materials as well as the energy use and carbon impacts of the building scenarios over a 30-year period. The team's work includes specific analysis

of buildings at three major U.S. bases, including analysis on-site for F.E. Warren Air Force Base in Cheyenne, Wyoming.

Buy Clean Energy 2010

One of the key barriers to renewable energy adoption in the U.S. is that many consumers are unaware of their options because there has been no single source for reviewing the available green-power choices for a given area. To help solve this problem, CRS created for Earth Day a simple and engaging consumer-focused campaign to teach consumers about their clean-power options, and give them a one-button way to purchase it. The tagline for Buy Clean Energy 2010 was "532

buy clean energy

REASON #227:
BECAUSE WE
ONLY GET
ONE CHANCE

1. Read your bill to find out how much energy you currently use. 2. Buy certified clean energy right now. It's easier and cheaper than you think. 3. Sign the roster and tell the world that you're supporting clean energy.

599,134 kWh have been purchased so far by individuals and organizations participating in Buy Clean Energy!

Sign up for email updates [Submit]

FEATURED SPONSORS: SmartPower, Xcel Energy, STERLING PLANET, 3Degrees, ecoelectrons

NEWSFEED: 3/29/11 Submit a Video Testimonial, 3/29/11 One Month Later Earth Day 2011, 12/15/10 2010 Was a Success!

Reasons. What's yours?" highlighting the many benefits of renewable energy, from environmental to economic to health, with large rotating images on the homepage that displayed several of the "reasons." With simple tools to help participants discover how much electricity they use, an intuitive search function that displays the certified clean energy options available, and a roster of participants showing their support for clean energy, this ongoing campaign will continue to be an exciting way to turn concern for the environment into action. See it at www.buycleanenergy.org.

China Sustainable Energy Program

CRS has worked for a decade on renewable and clean energy policies under the China Sustainable Energy Program (CSEP), launched by the San Francisco-based Energy Foundation. CSEP engages with key Chinese policymakers and research institutions to develop and implement clean energy projects in China and provide expert guidance on policy development and international best practice. Since 1999, CRS and an international team of consultants have pursued a diverse array of renewable energy programs and activities, ranging from conducting technical analysis to offering policy support that has been crucial to renewable power development.

During 2010, CSEP work covered more than a dozen program areas, including continuing a High Wind Penetration analysis, expanding wind integration assistance, producing supply-curve analysis and energy costs, helping develop rational energy pricing mechanisms, and supporting local and regional planning efforts for renewable energy deployment.

Renewable Energy Markets 2010

From October 19–22, 2010, CRS presented the 15th annual Renewable Energy Markets (REM) conference in Portland, OR. Co-sponsored by the Environmental Protection Agency (EPA)'s Green Power Partnership and the Department of Energy (DOE), REM 2010 had nearly 400 attendees and 100 speakers. With a dedicated exhibit show floor, it was the biggest conference to date.



On Wednesday night, CRS, the EPA, and the DOE presented the annual Green Power Leadership Awards, which honor individuals and organizations that have shown leadership in promoting renewable energy.

CRS's Market Development Awards recognize individuals, companies, and other renewable energy industry leaders that have helped build the market for green power. The winners were:

Best Green Power Education Outreach Program: Arizona Public Service (APS), for "The Renewables"

Best Promotional Campaign by a Green Power Purchaser: Sundance Square

Best Marketing Campaign by a Green Power Supplier: Pacific Power and Rocky Mountain Power

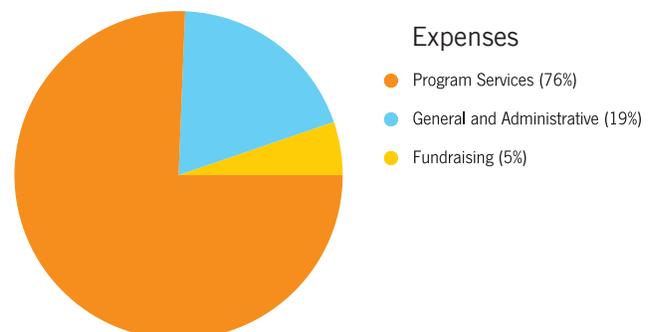
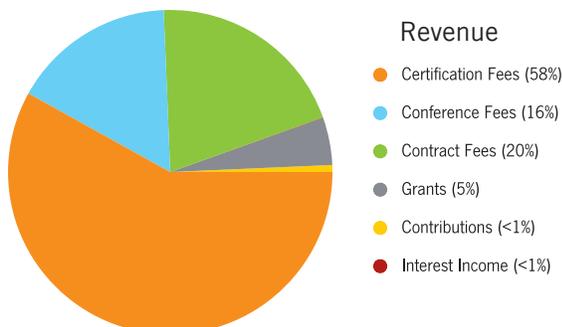
Green Power Pioneer Award: Thor Hinckley, Portland General Electric

Financials



CRS statement of activities year ended December 31, 2010

	2010	2009
SUPPORT AND REVENUE		
SUPPORT		
Government Contracts	---	58,500
Grants	93,000	512,000
Contributions	13,698	4,340
Total Support	106,698	574,840
REVENUE		
Certification Fees	1,141,840	1,059,649
Conference Fees	320,553	304,884
Contract Fees	396,682	95,071
Interest Income	965	2,548
Miscellaneous	---	3,383
Total Revenue	1,860,040	1,465,535
TOTAL REVENUE AND SUPPORT	1,966,738	2,040,375
EXPENSES		
Program Services	1,592,077	1,931,658
General and Administrative	402,077	309,318
Fundraising	110,664	115,509
TOTAL EXPENSES	2,104,818	2,356,485
Change in Net Assets	(138,080)	(316,110)
Net Assets, Beginning of Year	66,887	382,997
NET ASSETS, END OF YEAR	(71,193)	\$66,887



staff



Troy Arnold
Development Director



Chris Busch
Policy Director



Orrin Cook
Green-e Marketplace Manager



Martin Dooley
I.T. and Operations Manager



Todd Jones
Senior Analyst



Alison Lambert
Green-e Energy Associate



Jennifer Martin
Executive Director



Alex Pennock
Green-e Energy Manager



Robin Quarrier
Analyst and CRS Legal Counsel



Justin Roth
Program Analyst



Jeff Swenerton
Communications Director



Rachael Terada
CRS Project Manager
Green-e Energy Verification



Jane Valentino
Green-e Climate Manager



Dee Young
Director of Accounting
and Human Services

board of directors

Julie Blunden, Secretary/Treasurer
SunPower Corporation

Claudine Cmarada
Consultant

Rick Counihan
EnerNOC

Nathan Hanson
LS Power Development, LLC

Mark Levine
Lawrence Berkeley National Laboratory

Jennifer Martin
Executive Director, CRS

Peter Mostow
Wilson Sonsini Goodrich & Rosati

Karl Rábago, Chair
Austin Energy

Elena Schmid
Consultant

Rick Sellers
Arxiel Ventures

Blair Swezey
SunPower Corporation

Carl Weinberg, Vice Chair
Weinberg Associates

2010 funders

(in alphabetical order)

3Degrees
Community Energy
Courtney Strong Marketing
Communications
EarthEra
EcoElectrons
The Energy Foundation
Green Mountain Energy
Iberdrola Renewables
Nexant
Next 10
Pacific Power
Portland General Electric
Puget Sound Energy
The Regulatory Assistance Project
SmartPower
Sterling Planet
U.S. Environmental Protection Agency
U.S. Department of Energy
Weaver
Wilson Sonsini Goodrich & Rosati
Xcel Energy



Center for Resource Solutions creates policy and market solutions to advance sustainable energy.