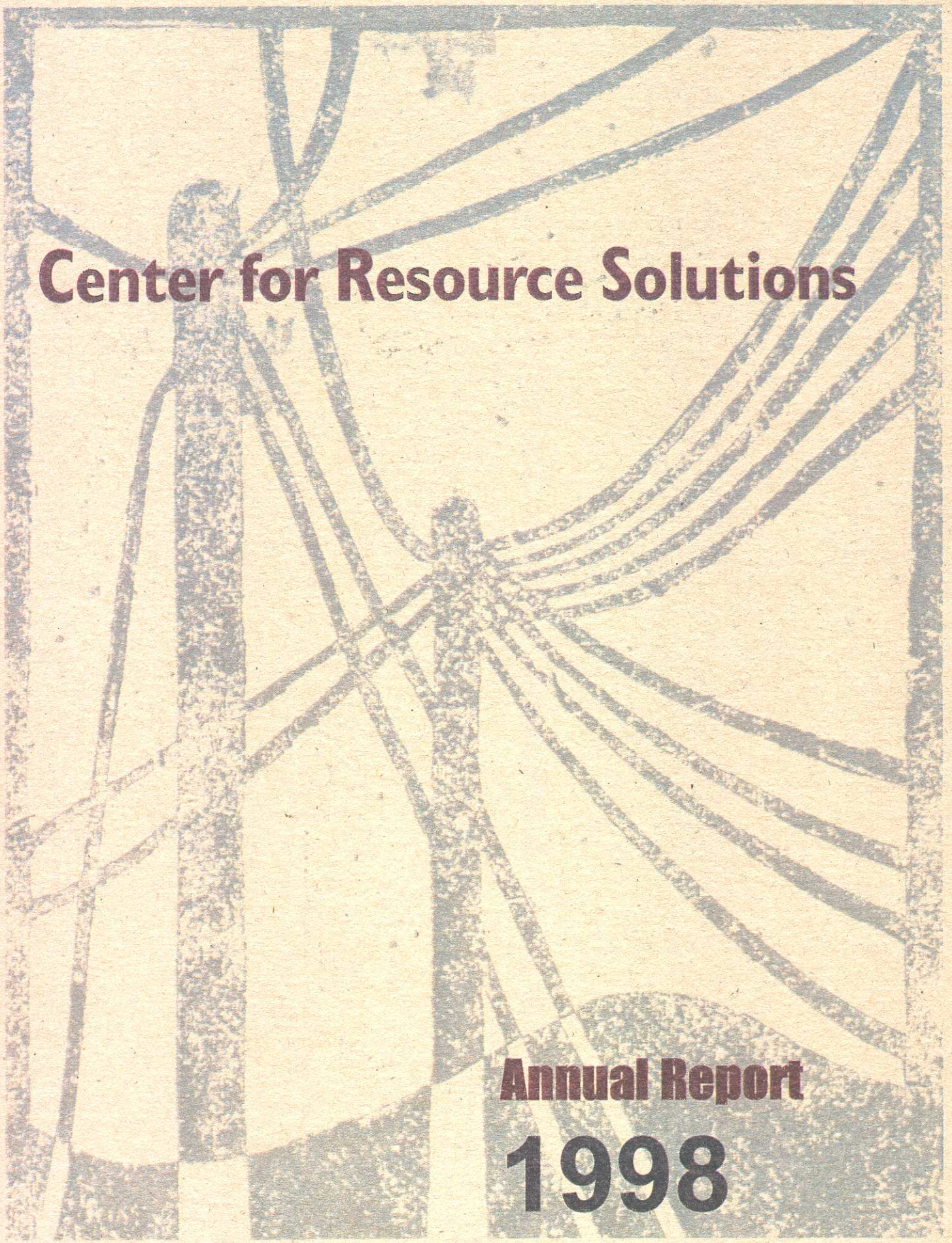

Center for Resource Solutions

Annual Report 1998

At the Center for Resource Solutions, we believe that a small number of people can make a big difference in addressing sustainability issues. We encourage the transfer of sustainable technologies and foster international leadership in sustainability by building the human capacity to meet environmental, economic and cultural needs.

Meeting the energy and service needs of the earth's growing population is a major challenge. The Center for Resource Solutions' mission is to enable people to meet these needs in an environmentally friendly and economically sustainable way.

LETTER from the Executive Director

Looking back on our first full year of operation, it appears the Center for Resource Solutions (CRS) has found a valuable role to play in addressing sustainability issues. The Center was conceived as a networking organization that would act as a catalyst for the development of new programs and the implementation of policies in the rapidly changing energy sector. Using personal contacts and credibility, CRS has been able to convene stakeholders from the private sector, government, and NGO communities to suggest practical approaches to new and evolving energy and resource problems.

The Green-e Program is an outstanding example of that approach resulting in a successful national consumer protection and information program that supports renewable-based electricity products in emerging, competitive, retail electricity markets.

Like Green-e, each of the CRS Programs has an advisory committee made up of outside stakeholders who work closely to shape and guide the program. CRS staff share both the work and resources with our stakeholder partners. CRS intends to keep its own staff small while combining staff expertise and experience with that from other organizations with whom we work. Talented and enthusiastic, the CRS staff has a wide range of interests and an impressive depth of experience. Our program partners share those characteristics.

In 1999, CRS will focus particularly on the development of international programs while supporting and expanding Green-e and our other domestic activities. CRS will continue to look for opportunities where staff's expertise, creativity and flexibility can be constructively applied to weaving the concepts of resource, energy and economic sustainability into the basic fabric of governments, communities, and businesses.

Jan Hamrin
Executive Director

PROGRAMS

CRS administers the following programs aimed at crafting sustainable solutions in energy and the environment.

DOMESTIC

- Green-e
- Green Pricing
- Demonstration Center
- Low-Impact Hydro Institute

INTERNATIONAL

- Global Guardianship Initiative
- International Expert Assistance

Visit us on the internet at:

www.resource-solutions.org
www.green-e.org

domestic

Green-e

1998 marked Green-e's first year of full program implementation. In the early part of 1998, Center for Resource Solutions (CRS) staff worked with a stakeholder group to craft the parameters of the Green-e Renewable Electricity Certification Program and specifically to develop a standard for California which would provide a high level of consumer protection and environmental benefit. When the California market officially opened in April, there were six retail and five wholesale power suppliers offering Green-e certified products-- 12 certified retail power products and 4 wholesale products. In March 1998, Green-e hit the road to work on developing a standard for Pennsylvania and New England with local stakeholders. The Green Power Board approved a Green-e standard for Pennsylvania in the fall, and Green-e was close to completion in New England by the year's end. When Pennsylvania opened its market January 1, 1999, there were 4 retail Green-e certified product offerings.

The large number of residential and commercial customers that switched to renewable power in 1998 showed there is a demand for renewable power, even at a premium. Over 90 percent of California's residential green customers bought Green-e certified products. By the end of 1998, approximately 56,600 residential and 5,800 commercial customers were receiving Green-e certified power in California. In addition, an estimated 40,000 residential and commercial customers switched to a renewable power provider, although they were not yet receiving the power. This represents nearly 1 percent of the total California market ñ a big difference when compared to nearly two years that it took the telecom industry to reach this level when it deregulated.

Some of the demand for environmentally superior power can be attributed to public outreach efforts by CRS and partner environmental organizations such as CEERT, NRDC, EDF and others. During 1998, Green-e distributed approximately 15,000 printed pieces on purchasing green power. CRS wrote several articles on the renewable market and Green-e. In addition, the Green-e web site averaged 500 hits per month and approximately 40 other web sites have links to the Green-e site. Several well known companies switched to a Green-e product, bringing confidence to the retail renewable market, including Patagonia, Toyota, and AirTouch. In 1999, Green-e plans to expand outreach efforts to schools, churches and community businesses; continue existing relations with marketers; and to bring Green-e to other regions of the country as deregulation occurs.

Green Pricing

CRS has been evaluating ways to transfer experiences with Green-e certification (for electricity products offered in restructured markets) to utility-sponsored green pricing programs. About 50 green pricing programs are in place throughout the U.S. today, some under the supervision of local environmental groups interested in ensuring that green pricing programs represent real value for customers. There are vast differences in the quality of programs offered. In addition, many state utility commissions lack the personnel to provide meaningful oversight or input into the design parameters for green pricing programs to ensure their success.

Using support from the Energy Foundation, CRS has facilitated a national conversation between parties involved with green pricing from throughout the United States to determine whether or not a minimum threshold criteria for green pricing programs could be developed. While CRS has heard many views on this issue, all parties agree that a national minimum standard for green pricing could significantly improve the quality of programs offered to customers. CRS staff developed criteria for a standard, and will work on developing an accreditation initiative to recognize green pricing programs that meet the standard. In 1999, CRS will present the output of its stakeholder meetings to the National Association of Regulatory Utility Commissioners subcommittee on renewables for their review as a potential "best-practice" model for the design and implementation of utility-sponsored green pricing programs

domestic

Low-Impact Hydropower Institute

A low-impact hydropower initiative was started by American Rivers and Green Mountain Energy Resources in order to develop a voluntary low-impact certification program. The program was initiated to reduce the environmental impacts of hydroelectric generation by creating a credible and accepted standard for consumers to use in evaluating hydropower.

In September 1998, Green Mountain Energy Resources (GMER) and American Rivers convened a Low Impact Hydropower Institute Implementation Task Force, which included the CRS. This Task Force, made up of representatives from the hydropower industry, environmental organizations and resource agencies, helped GMER and American Rivers to revise the Low Impact Hydropower criteria and develop the framework for the Low Impact Hydropower Institute and the certification process.

Most of the work in 1998 led up to the launch of the Low Impact Hydropower Institute in 1999. Achievements include: the Certification Program guidelines drafted and accepted by the Task Force; a Governing Board and Advisory Panels identified; diverse and sizable list of supporters assembled; Articles of Incorporation for the Institute filed in California; and CRS serving as the Institute's Certification Program Manager.

During the second half of 1999, the Institute expects that marketers will file their initial applications for certification. After the application and review process, the dam owners can begin marketing their power as Low Impact Hydropower.

Presidio Sustainable Technology Demonstration Center

CRS was awarded funds for planning and preliminary design of the Presidio Sustainable Technology Demonstration Center in legislation passed in 1997. In 1998 CRS staff and project advisors worked to narrow the focus and define a role for a Center dedicated to inspiring action. Exhibits will be linked with programs & seminars, training and hands-on product installation and operation. The intent is for the Center to facilitate action and change by providing access to information and tools that enable the design and implementation of clean energy and sustainable development solutions to Earth's great environmental challenges.

Planning for the Center will enter a new phase in 1999, completing the plan and preliminary design and moving forward with a business plan and fundraising for Center development. CRS will be a catalyst for participation by sustainable energy practitioners and advocates, non-profit organizations and businesses who together can provide the knowledge and expertise to develop and operate the Presidio Sustainable Technology Demonstration Center.

international

Global Guardianship Initiative

In 1998, CRS laid the ground work for a Memorandum of Understanding with the Nature Conservancy (TNC) to undertake responsibility for renewable energy program development and implementation for TNC programs and sites throughout the world. The goal of this project is to expand opportunities for renewable energy use as a tool for community micro enterprise development and natural resource conservation.

Internationally, communities in and surrounding TNC reserves can benefit from technologies such as solar cookers and high efficiency stoves that reduce the need for burning fossil fuels (that produce pollution) and firewood that may otherwise be taken from the protected area. With clean power comes better lighting and health which empowers women and children who are the key to breaking the cycle of poverty and high birthrates in the developing world. Solar electric fences keep cattle away from critical lands while solar or wind water pumping technologies can help keep livestock out of riparian zones. If electricity is provided by renewable energy, the grid is less likely to be extended, keeping major development from moving closer to or within reserve boundaries.

Renewable energy improves the quality of life of people dependent upon the reserve's natural resources. This fosters good relationships with conservancy organizations and their NGO partners, thereby improving the ability to manage these reserves. In 1999, CRS plans to develop further funding opportunities for work with TNC and their NGO partners.

International Expert Assistance

The Expert Assistance Program combines research with direct experience to collaboratively craft new solutions for meeting resource and development needs. CRS establishes forums for information exchange, discussion and planning to assist decision-makers in acquiring the tools and information they need to support sustainable development. In 1998, CRS Executive Director, Dr. Jan Hamrin, led a team of researchers who authored a report for the International Energy Agency Demand-Side Management Programme: "*Public Policy Implementation of Mechanisms for Promoting Energy Efficiency and Load Management in Changing Electricity Businesses.*" This report reviews electric utility restructuring in eighteen countries in Europe, North America, Southeast Asia, and the Pacific.

Dr. Hamrin co-authored "*The Renewable Energy Policy Manual*" published in 1998, for the U.S. Export Council for Renewable Energy. This manual provides policy guidance and options for stimulating greater investment in renewable electricity generation in both grid-connected and non-grid connected circumstances.

CRS sponsored and participated in a number of "peer to peer" meetings between state utility regulators from the United States and regulators from Argentina and Brazil as well as arranging for and participating in workshops and policy briefing sessions for representatives of Southeast Asian countries. CRS has developed a unique relationship with the National Association of Regulatory Utility Commissioners (NARUC) Subcommittee on International Affairs to facilitate peer-to-peer dialogue with policy makers in other countries on renewable energy, energy efficiency, and rural electrification issues.

Schedule of Functional Expenses for 1998

	International	Domestic	Total Programs	Management & General	Program Development	Total
Salaries & benefits	$20,324	$119,666	$139,990	$59,753	$49,293	**$249,036**
Subcontractors	44361	117,357	161,718	15,675	456	**177,849**
Travel	7217	15,121	22,338	2,363	9362	**34,063**
Rent				25,514		**25,514**
Public information		21,585	21,585			**21,585**
Office expenses		6,259	6,259	14,589	171	**21,019**
Support services		1,700	1,700	14,986	1190	**17,876**
Telephone		4,014	4,014	10,667		**14,681**
Meeting expenses	138	9,887	10,025	3,910	503	**14,438**
Printing and reproduction		8,207	8,207	1,729	11	**9,947**
Postage and delivery		1,000	1,000	1,699	356	**3,055**
Utilities				946		**946**
Insurance				692		**692**
Dues and subscriptions				153		**153**
Licenses and permits				20		**20**
Total Expenses	$72,040	$304,796	$376,836	$152,696	$61,342	**$590,874**

FINANCES

STATEMENT OF ACTIVITIES
for the year ended December 31, 1998

REVENUE AND SUPPORT

Foundation Grants	$515,250
Public contracts	$220,045
License fees	$53,000
Interest Income	$986
Total revenue and support	**$789,281**

EXPENSES

Programs:	
International	$72,040
Domestic	$304,796
Management and General	$152,696
Program Development	$61,342
Total expenses	**$590,874**
Change in net assets	**$198,407**
Net assets, beginning of year	**$5,408**
Net assets, end of year	**$203,815**

*All 1998 funds were unrestricted.

Note: This information is taken from the 1998 CRS audited financial statements.

FUNDING

Main Contributors in 199

The Energy Foundation

The John Merck Foundation

The Surdna Foundation

International Energy Agency

Department of Energy

Environmental Protection Agency

Green-e Licensing Fees

William Penn Foundation

California Energy Commission

Rockefeller Brothers Foundation

National Wind Coordinating Conference

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Project Manager, Regulatory Policy Program- China
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Technical Advisor
Ken Wicker
Graduate Intern
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Graduate Intern