Center for Resource Solutions

1999 Annual Report

CRS Mission Statement

CRS brings together diverse interests to implement practical resource solutions. Our programs promote clean and efficient energy use, encourage sustainable economic growth, and help preserve the environment for present and future generations.

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from the Executive Director

Growth and evolution of key Center for Resource Solutions (CRS) programs was the 1999 theme. On the domestic side, the innovative work undertaken by CRS in the development of the Green-e program has continued into related areas. The Green Pricing program formed an oversight board and adopted criteria to accredit utility green pricing programs in states without competitive markets. A program that marries renewable energy with energy efficiency, Green-e Plus, was launched. And consistent with our goal of being an effective network organization, CRS not only helped in the creation of a program to certify low-impact hydropower facilities but also filed all the papers necessary for it to become an independent non-profit organization and helped identify candidates for its Board of Directors.

As promised, CRS put much of its effort in 1999 into the development of our International Programs. The CRS/Nature Conservancy Project became fully operational this year and extended into The Nature Conservancy (TNC) Climate Change programs as well as the activities originally envisioned. Our work also expanded in focus beyond renewable energy for electricity production into appropriate technology applications of all types. In 1999 we also launched a major policy initiative in China and were involved with numerous other international policy activities with the International Energy Agency, the World Bank and Winrock International.

In the year 2000 we look forward to refining the programs that have been started while crafting an institutional structure that reinforces our creative pragmatic approach to changing needs in the rapidly evolving world around us.

Jan Hamrin Executive Director

Department of Energy

The Energy Foundation

World Bank/GEF

Environmental Protection Agency

The Surdna Foundation

California Energy Commission

Green-e Licensing Fees

W. Alton Jones Foundation

The John Merck Foundation

Bullitt Foundation

China Sustainable Energy Program

William Penn Foundation

Winrock Internantional

domestic

Green-e

The close of 1999 marks the second full year of operation for the Green-e program. Since 1997, Green-e has grown to become the nation's leading standard-setter for renewable-based electricity offerings in restructured markets.

Almost every green power marketer in California and Pennsylvania is either participating in the Greene program or is offering products that meet Greene program standards. In addition, Greene criteria have been used by city, state, and federal agencies to frame their green power purchases. In 1999, Greene had 23 certified products offered by 14 companies in CA and PA. These products served approximately 150,000 customers in these two states, representing 81% of the direct access residential customers in CA and nearly 5% of the direct access residential customers in PA. It is estimated that in 1999 the renewable energy purchased to satisfy the demand of customers buying Greene certified products nationally resulted in pollution savings of 2,605,000 lbs of SO₂; 2,330,000 lbs of NOx and 474,460,000 lbs of Carbon per <u>full year</u> of operation.

Green-e Verification Shows Marketers Made Good On Promises: 1999 marked the first year for the successful completion of the Green-e verification process, the cornerstone of the Green-e program. The verification results revealed that, contrary to early concerns, green power marketers had gone beyond their promises to customers in bringing renewable energy to the system. Though 9 of 15 Green-e certified products verified were based on 50-75% renewable energy, the verification process documented that marketers had supplied their customers with 99% renewable energy during the period examined – a significant victory for consumer protection and the environment. In addition, Green-e instituted a biannual review of participating marketers for compliance with the Green-e program standards governing marketing claims and treatment of customers. Green-e also developed *Green-e Customer Disclosure Requirements – Guidelines for Marketers* as a tool to help marketers meet Green-e Program requirements for power source disclosure, pricing disclosure, and truth in advertising.

Green-e Advisory Committee Process Spurs Renewable Energy Markets and Policy: In October 1999, the Green Power Board approved a Green-e standard for New England and the Mid-Atlantic region based on Regional Advisory Committee recommendations. Approximately 100 organizations nationwide have participated in Green-e, either through a Green-e Regional Advisory Committee, reviewing the program's standards, or in commenting on Green-e policy proposals. The Green-e advisory process spurred groundbreaking discussion and collaboration in 1999 on the following energy issues:

- Defining the relationship between the Renewable Portfolio Standard and green markets;
- Developing a sustainable biomass definition for Green-e certified products;
- Using "negawatts" to meet green power supply claims by power marketers:
- Setting marketing guidelines for new green power offerings in concert with the Federal Trade Commission and National Association of Attorneys General.

The Public Is Watching: Green-e's track record of garnering extensive national and international coverage of green power issues continued to grow. In 1999, Green-e released 15 press releases, all of which were picked up by industry press and attracted attention from national periodicals. Green-e has been cited in regional and local publications throughout the country and across web sites throughout the environmental community. The web site and toll free numbers are also widely used.

Green-e At 3 -- Green Power At The Millennium: Green-e's third year presents a host of new program decisions. Work refining the core Green-e criteria will continue in the states where the program is operating. A second round verification will be conducted for California along with the first verification for Pennsylvania. We expect several new Green-e certified products to be offered as markets open in the Mid Atlantic and New England regions. In addition, Green-e expects to expand the program into other key states as rules are promulgated; possible states where Green-e may be involved in 2000 include New York, Texas and the Southwest. And Green-e staff will continue working with stakeholders throughout the country to forge partnerships around renewable energy education, build support and recognition of the Green-e brand, encourage business leaders to switch to renewable power, and continue to expand on the important role green power can play in meeting our nation's energy, environment, and sustainable economic goals.

Green Pricing

The Green Pricing Accreditation Initiative recognizes best-practice green power programs offered by monopoly utilities in regulated markets. Central to the effort has been the support of local environmental organizations and the utilities through the creation of local stakeholders groups. CRS was instrumental in creating two groups, one in Wisconsin and one in the Tennessee Valley Authority region. The stakeholders worked together to develop a regional standard for green power, which met or exceeded CRS's minimum national standard. In April 2000, the National Government Board of the Accreditation Program recognized three green pricing programs: Wisconsin Electric's *Energy for Tomorrow* program, the Tennessee Valley Authority's (TVA) *Green Power Switch* and Madison, Gas & Electric's *MGE Wind Power*. The announcement was made through a Washington, D.C. press conference held at the National Press Club.

Today, newly accredited programs are now available to over three million customers in regulated markets served by these three companies. The programs are among the strongest in the country and initially will stimulate investments in at least 15-20 megawatts of new wind, solar, landfill gas capacity. Over the coming year, CRS will expand the program in the Midwest, where several additional utilities are interested in accreditation. Renewable energy advocates in Florida, Georgia and Colorado are interested in using the Initiative to encourage utilities in their regions to design green pricing programs. We expect, therefore to develop a regional standard for the Southeast and Colorado. In the end, CRS's goal will be to design a standard for green power all over the country, both in deregulated markets through Green-e and in regulated markets through Green Pricing Accreditation.

Green-e Plus

The Green-e Plus program is introducing to green power marketers in California the concept of incorporating energy efficiency into their certified product offerings. Marketers have expressed an interest in offering rebates and other incentives for Energy Star products, in part because it will help "level the playing field" with the incumbent utilities who already have these established relationships with appliance manufacturers.

The initial step was to conduct focus groups to determine how best to structure incentives. The results showed that consumers would be more attracted to a green power product that offered rebates for premium Energy Star products, as well as direct financing for energy-saving white goods on their bills. The result will be a Green-e standard that is flexible to meet the needs of marketers and consumers. The next step will be to bring the green power marketers and the Energy Star companies together and create mutually beneficial relationships. We are looking to

achieve two goals: 1) encourage green power customers to invest in energy efficiency and use their green electrons wisely; and 2) encourage traditional customers who are seeking new refrigerators and clothes washers to buy an efficient product AND at the same time switch to green power.

Low-Impact Hydropower Institute

The Low-Impact Hydropower Institute completed the year in a search for an Executive Director. After a successful effort completing the Low-Impact Standards and garnering funding to move the Institute through it's start-up phase, it is expected the program will be ready for full launch in January 2000. The process of developing this new approach for evaluating the environmental impacts of hydropower facilities demonstrated again the skills CRS brings as a network organization capable of bringing together diverse parties to achieve common environmental protection goals.

Presidio Sustainable Technology Demonstration Center

The Center for Resource Solutions entered a new project phase in 1999, conducting a design charrette, and completing a preliminary design and business plan for Green Center development. The Center is envisioned to be a multi-use facility – a one-stop exhibit and demonstration center where visitors will learn about green products and services in an interactive and hands-on manner. CRS is working in parallel to develop the Center and off-site exhibits and programming. The current focus is catalyzing an audiovisual program on green design and product installation and use for television dissemination.

international

Global Guardianship Initiative

The Nature Conservancy: The Nature Conservancy (TNC) has initiated over 20 projects worldwide involved with preserving and reforesting large tracts of land in developing countries for conservation and carbon sequestration benefits. In 1999, CRS took over responsibility for the analysis and implementation of appropriate technology applications for the TNC projects. A CRS/TNC Advisory Committee was formed and met in Washington DC. A mission statement was developed for this program: To use renewable resources and appropriate technology to enhance conservation efforts and meet strategic conservation needs. To accomplish this the program works to: (1) Improve TNC staff capabilities to identify renewable resources and appropriate technologies as a strategy option for meeting conservation challenges; (2) Develop opportunities for these technologies where it is cost-effective and sustainable for compatible economic development; (3) Select initial projects with a high probability of success that illustrate strategic applications of renewables and appropriate technologies to meet critical needs; and (4) Document and disseminate information about successful renewable resource solutions to significant conservation challenges for other conservation organizations. CRS also hosted the first meeting of the TNC Renewable Group to identify potential TNC activities in the renewables area.

Additionally, CRS began providing technical assistance to TNC's Climate Change Program to analyze the feasibility of incorporating renewables and appropriate technology applications into TNC Climate Change projects. A pilot study was completed in Peru (Central Silva) in which hydropower, solar electric, and high efficiency wood stoves were assessed for reducing conservation threats, powering preserve infrastructure, home power systems, community and compatible productive enterprises. A tool for pre-feasibility assessment of alternative technology applications was initiated in fall 1999 for climate projects and will be field-tested in the spring of 2000.

International Expert Assistance

China Program: CRS is now participating in the *China Sustainable Energy Program* of the David and Lucile Packard Foundation in partnership with the Energy Foundation. CRS is providing policy assistance in the areas of electricity restructuring, regulation, renewable energy and energy efficiency policy. CRS has the lead on renewable energy policy and program design. CRS staff traveled to Beijing twice for meetings with Chinese officials working in these areas. In 2000, CRS staff will be working directly with the Chinese State Planning Commission on the development of an Action Plan for Renewables as a part of the 10th Five Year Plan as well as working on other initiatives identified by our Chinese colleagues.

Climate Change: CRS facilitated a project with Florentin Krause of International Project for Sustainable Energy Paths (IPSEP) and Lawrence Berkeley National Laboratory (LBNL) to bring Chinese policy leaders to the US to meet informally with US climate change experts and receive training in carbon measurement. CRS scheduled training and meetings with leading US experts and Madam Sun and Ms. Xiang from the China's State Development Planning Commission, Committee for Climate Change. Other Chinese policy leaders from the Ministry of Foreign Affairs are expected to participate in the program in the year 2000.

Expert Assistance, General: The Expert Assistance Program combines research with direct experience to collaboratively craft new solutions for meeting resource and development needs. In 1999, CRS participated in a number of international programs and policy forums as well as providing direct technical assistance. CRS hosted members of the Philippine Congress and power sector for a meeting on renewable energy policies. CRS staff participated in an IEA International Conference on promoting market growth for renewable energy technologies held in Venice, Italy. Dr. Hamrin presented a paper on *The Transition from Niche to Broad-based Markets*, as well as chairing one of the sessions.

Policy Assistance, IEA: CRS staff participated in a number of meetings in Europe and Canada with organizations interested in developing renewable power certification programs. CRS provided technical assistance, policy and program recommendations. In 2000, CRS staff expects to work closely with IEA in a more systematic investigation of the role of international certification programs.

Policy Assistance, Winrock International: CRS developed a report for Winrock International titled Energy Project-Based Carbon Mitigation: Design, Measurement, Monitoring & Evaluation Issues. This report summarizes the current state of the art of carbon measurement as it relates to renewable energy projects. Under the auspices of Winrock International, CRS also authored a report for Mexican energy officials, Electricity Restructuring and Renewables Policy in the US. Dr. Hamrin presented this paper at a workshop in Mexico City. CRS also provided technical input on contract terms and conditions for renewable power generators in Argentina and Vietnam. In 2000, CRS will continue to provide policy assistance as the policy subcontractor to Winrock's US/AID support contract.

STATEMENT OF ACTIVITY Year Ended December 31, 1999

Revenue & Support		
Govt' contracts	\$	246,929
Fees	\$	214,512
Grants	\$	980,600
Interest	\$	7,058
		7,056
Net assets released from restriction	\$	0
Total Revenue & Support	\$1	1,449,099
Expenses		
Program services	\$	737,858
General and administrative	\$	125,991
Total Evenance	\$	062 040
Total Expenses	P	863,849
Net Accete beginning of year		
Net Assets, beginning of year	•	000 045
As previously reported	\$	203,815
Prior period adjustment	\$	25,000
Balance at beginning of year, as restated	\$	228,815
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Net Assets, end of year	\$	814,065

Note: This information is taken from the 1999 CRS audited financial statements.

STATEMENT OF FINANCIAL POSITION December 31, 1999

Assets

Current Assets	
Cash and cash equivalents	\$275,654
Grants receivable	\$385,000
Accounts receivable	\$144,010
Prepaid expenses	\$ 6,130
Total Current Assets	\$810,794
Fixed Assets, net	\$ 17,287
Total Assets	\$828,081

Liabilities and Net Assets

Liabilities and Net Asse	ets
Liabilities	
Accounts payable and	
accrued expenses	\$ 14,016
Net Assets	
Unrestricted	\$286,612
Temporarily restricted	\$527,453
Total Net Assets	\$814,065
Total Liabilities and Net Assets	\$828,081

Note: This information is taken from the 1999 CRS audited financial statements.

CRS Board of Directors

Mark Levine, Board Chair

Lawrence Berkeley National Laboratory

Doug DeNio

National Park Service (retired)

Karl Rabago

Rocky Mountain Institute

Claudine Schneider

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Rick Sellers

International Energy Agency (IEA)

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Senator, California State Senate

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Communications Director

Vanessa Mercer

Program Associate, Green-e

Seth Baruch

Program Manager, Green Pricing and International

Programs

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Technical Advisor

Jim Welch

Program Manager, The Nature Conservancy - CRS Joint Project

Michael Bowen

Project Manager, Low-Impact Hydropower Institute

Katie McCormack

Program Coordinator, Demonstration Center

Carrie Harvilla

Administrative Assistant

Martha Mahony

Consultant, Development and Strategic Planning

Ken Wicker and Devra Bachrach

Graduate Interns