

Center for Resource Solutions
Annual Report 2005



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Since 1997, the Center for Resource Solutions (CRS), a national nonprofit organization has worked to make it easier for people and organizations to use renewable energy as a tool for mitigating climate change. CRS designs and operates national and international programs that support the increased supply and use of renewable energy resources such as wind, solar, biomass, geothermal, low-impact hydroelectric power, and other clean energy sources.

To learn more about CRS, visit: www.resource-solutions.org

LETTER FROM THE PRESIDENT

After nearly 10 years of work on renewable energy issues, CRS is now focusing on the link between renewable energy and climate change. In 2005, we saw a remarkable transformation in the way the general public perceives and accepts global warming as a major threat to humanity. We witnessed a growing class of consumers who are interested in how a product is made and what impact its manufacturing has on the environment. We worked to meet the demands of a marketplace seeking credible solutions to mitigate the risks of the climate crisis in corporate, individual, and institutional circles.

CRS approaches the promotion of renewable energy sources holistically, working towards this goal from policy design to implementation; certification to verification; through technical assistance; educating consumers on renewable energy options and providing expert assistance in marketing once those purchases take place. We look for areas in policy and market cycles where CRS can add value to the cycle.

With a staff of 15, CRS initiates projects in many different stages and aspects of policy design, development, implementation, marketing, and regulation in the renewable energy arena. Our dynamic staff works in a collaborative atmosphere resulting in products that are well-crafted, well-rounded, and suited to the current and anticipated needs of the energy marketplace.

It is in this tradition that we will carry forth through 2006. As widespread awareness of climate change grows, CRS will be there to craft new policies and empower people and businesses to make an impact. We will also be there to make sure their actions are credible and verifiable.

We look forward to working with you along the way.

Sincerely,



Dr. Jan Hamrin, CRS President

CLEAN ENERGY POLICY DESIGN AND IMPLEMENTATION

Anticipating the needs of the voluntary and regulated renewable energy markets, CRS designs policies, identifies best practices and creates implementation tools that promote renewable energy generation and protect end-use consumers of renewable energy. In 2005, we worked on a variety of public interest and technical assistance projects, including the following:

China Sustainable Energy Program: The Chinese Renewable Energy Promotion Law was passed in 2005 after five years of CRS policy assistance in China. The law itself includes the development of bulk renewable power using a feed-in type tariff as well as transmission, rural electrification, solar PV and water heating, and biofuels policies. CRS continues to provide assistance with the implementation of the law.

Creation of National Green-e Standards: In 2005, Green-e crafted a single national standard, covering all geographic areas and product types (utility green pricing, competitive electricity, and Renewable Energy Certificates (RECs)). This standard replaces several regional Green-e standards and simplifies administration of the Green-e program. It also creates parity among regions, helps participants navigate our requirements, and makes the Green-e brand easier to explain to consumers.

California Renewable Portfolio Standard Implementation: CRS provides ongoing policy assistance to the California Energy Commission on the implementation of the State's Renewable Portfolio Standard Program.

North American Association of Issuing Bodies: The CRS-led North American Association of Issuing Bodies (NAAIB) program convenes a working group of tracking system operators and regulators to develop "Best Practices" around tracking system design issues. The group has produced two "Best Practice" documents thus far.

Expert Assistance on REC Tracking Design: In 2005, CRS advised a coalition of six mid-western states on the design of a regional renewable certificate tracking system. CRS produced final design specifications that are being used to solicit a software vendor for the system. CRS continues to provide the California Energy Commission with technical assistance on the development of the Western Renewable Electricity Generation Information System (WREGIS).

Regulator Education: CRS published *The Regulator's Handbook on Renewable Energy Programs & Tariffs* and delivered a series of web casts related to the handbook for regulators and their staff.

State Regulatory Assistance: In 2005, CRS released *Achieving a 33% Renewable Energy Target* prepared for the California Public Utilities Commission. CRS also provided expert testimony and comments on a number of state proceedings related to implementation of RPS, community aggregation, net metering, green pricing, and REC tracking.

Greenhouse Gas Reduction Programs: In 2005, CRS, through its Renewable Energy Working Group, continued its efforts to ensure that renewable energy is given fair treatment in the design of the Regional Greenhouse Gas Initiative (RGGI). CRS has also been active in other GHG reduction programs including criteria and standard setting activities.

Technical assistance to state and regional organizations: CRS engages in developing renewable energy and greenhouse gas policies.

MEASUREMENT AND VERIFICATION

One of the core goals at CRS is to develop and support market mechanisms and standards that promote the development of a vibrant voluntary renewable energy market and that contribute to meaningful reductions in greenhouse gas emissions. The Measurement and Verification Business Line's primary objectives support this goal by: 1) providing a clear and accurate connection between renewable energy and carbon in order to accelerate the construction of new renewables that will lead to significant greenhouse gas reductions; 2) incorporating renewables into greenhouse gas reduction programs; 3) providing consumer protection services; and 4) safeguarding the renewable energy market from false claims and fraud.

In 2005, this business line managed certification and verification for the Green-e Program, provided expert assistance to greenhouse gas accounting and regulatory initiatives in the Northeast and California, and launched several new projects to support market links between renewable energy and greenhouse gas benefits.

2004 Green-e Verification Report: The 2004 Green-e Verification Report, which was issued in October 2005, documented the Green-e Program's majority market share of the voluntary renewable energy market nationally through the sale of 56 different Green-e certified products, and overall program growth of nearly 20 percent from the previous year. With the 2004 report, CRS began to incorporate information on companies that are allowed to use the Green-e logo on their products (at least 50 percent of the electricity input to the product must be generated through renewable energy sources). Forty companies contracted to use the Green-e logo in 2004, representing over 115 diverse products.

Verification and Green-e Logo Use for Carbon Offset Products: CRS launched verification services for renewable-energy based carbon offset products and a program to enable carbon offset products that use Green-e certified RECs as sources of carbon offsets to display the Green-e logo.

Compliance Review: CRS completed two biannual marketing material reviews to ensure that all Green-e certified marketers and utilities provided adequate and accurate information to their customers that is consistent with Green-e's Code of Conduct and the National Association of Attorneys General Environmental Marketing Guidelines. CRS staff review all media, including bill inserts, print, television, and radio, to ensure that Green-e certified products are properly communicated to retail customers.

Green-e Certifications: Green-e certified 13 new products in 2005, increasing to 58 the number of certified Green-e products offered, 29 REC products, 11 competitive electricity products, and nine Utility Green Pricing products.

BUSINESS AND PROMOTIONAL SERVICES

CRS advances renewable energy by increasing opportunities for businesses, institutions and individuals to understand and choose clean renewable energy. Through work in Business and Promotional Services we maximize awareness of renewable energy as a tool to reduce global warming and increase access to products and services that are "Made with Certified Renewable Energy."

Renewable Energy Purchasers Programs: CRS directs programs and projects that build renewable energy demand, recognition, and purchasing by businesses and institutions. In 2005, the New England Renewable Energy Purchasers (NE-REP) program, engaged and educated large businesses and organizations to consider significant renewable energy purchases. Thirty-four businesses in the state of Massachusetts and 24 businesses in Connecticut using over one million kWh annually as program members committed to explore renewable energy purchasing options.

The Green-e Consumer Product Labeling Program: This program offers businesses an additional incentive to make considerable investments in renewable energy, by creating a competitive edge for their products and services as "Made with Certified Renewable Energy." The program establishes renewable energy use as the next generation of environmental performance indicators for consumer products, modeled after other consumer labels such as those for recycled products, organic food, fair trade practices, and energy efficiency.

Over 150 consumer products feature the Green-e Logo and claims of renewable energy content consistent with strict program standards.

In 2005, everyday consumer products "made with renewable energy," included wine, sodas, chips, and rice, to fabrics, CDs, and shoes. These products and many more were available to tens of millions of Americans. The Green-e logo was also displayed in stores and on the websites of beauty salons, hotels, cafes, consultant firms, office supply stores, supermarkets, and ski resorts.

Expert Assistance in Marketing: The key to advancing renewable energy is developing the best messages to communicate its benefits. CRS builds alliances with these businesses and with renewable energy providers to cultivate best practices in marketing renewable energy.

The Marketers' Marketers Group (MMG) is a forum to learn new tools, strategies and techniques for marketing green power products to target audiences and build widespread awareness of renewable energy use. In 2005, over 85 MMG members discussed important industry issues and ways to effectively advance consumer understanding of renewable energy choices.

TECHNICAL ASSISTANCE AND RESOURCE ASSESSMENT

CRS provides technical and economic analyses of renewable energy technologies and strategies for a variety of public agencies, utilities and private companies. The principal element of this business line has been the CEC PIER Program Management and Technical Integration Projects.

In 2005, CRS completed the technical management and administration of a ten-project, \$7 million renewable energy R&D program conducted by Hetch Hetchy Water and Power and the California Energy Commission. Included in the program was a CRS project to conduct a strategic energy analysis for the City of San Francisco.

Other programs in 2005 included:

Renewable Energy and Greenhouse Gas Technical Services: CRS provided assistance to a major California electric utility to investigate a range of technical issues that support its renewable energy and greenhouse gas management needs. CRS has developed a blueprint for a program that will develop comprehensive analysis and reporting of greenhouse gas emissions to the California Climate Action Registry. CRS began the process of developing greenhouse gas accounting and reporting policy and procedure documents for this utility, as well as defining approaches to quantifying several small but important sources of emissions.

Wind Technical Services: As a follow up to the PIER project, CRS is providing technical support to the Sacramento Municipal Utility District that is seeking to identify and characterize several commercial-scale wind project opportunities in the region. CRS has assembled and is managing a technical team to meet those objectives. The CRS team is characterizing the wind resources at four sites in northern California and southern Oregon. The team has commenced with environmental analysis and wind characterization at those sites.

CEC - PIER/Hetch Hetchy Water & Power Renewable Energy R&D Program Management: Under CRS' guidance, eight technical subcontractors completed work and final reports on subjects that included: geothermal resource assessment and project analysis, wind resource assessment, evaluation of solar trough options, analysis of energy storage for renewable energy, and evaluation of distributed biomass and photovoltaics. The work also included evaluation of transmission and renewable energy integration issues for California.

Technical work completed by CRS under the program included evaluation of hydrogen production and use options for the City of San Francisco and of the potential to integrate the operation of the Hetch Hetchy hydro system with new bulk wind power.

Reports for all of the projects and overall program results will be published in 2006 and will be available on the California Energy Commission website.

FINANCIALS

	Unrestricted	Temporarily Restricted	Total 2005
Revenue & Support			
Government Contracts	\$ 808,718		\$ 808,718
Grants	\$ 15,000	\$ 572,000	\$ 587,000
Certification Fees	\$ 256,190		\$ 256,190
Consulting	\$ 332,215		\$ 332,215
Net Assets released from restriction	\$ 609,748	\$ (609,748)	\$ -
Total Revenue and Support			\$ 1,984,123
Expenses			
Program Services	\$ 1,515,495		\$ 1,515,495
General Administrative	\$ 287,314		\$ 287,314
Fundraising	\$ 73,759		\$ 73,759
Total Expenses	\$ 1,876,568		\$ 1,876,568
Change in Net Assets	\$ 145,303	\$ (37,748)	\$ 107,555
Net Assets Beginning of Year	\$ (211,740)	\$ 196,094	\$ (15,646)
Net Assets, Year Ending 2005	\$ (66,437)	\$158,346	\$ 91,909



CRS BOARD OF DIRECTORS

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CRS FUNDING SOURCES IN 2005

