# 2008 Annual Report

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To say that this has been a year of transition for energy and the environment is a vast understatement. The inauguration of President Barack Obama brings with it a new sense of purpose and urgency to those of us who work to promote sustainable energy while trying to address the daunting challenges of climate change.

This has been a year of transition for CRS as well. In many ways, CRS is a different organization than it was one year ago.

Within this annual report you will glimpse the results of our efforts to transform into a mature nonprofit—one that honors its past achievements while looking to future opportunities to continue its legacy of success and excellence.

We have new executive leadership and key program staff, as well as a new home in the Thoreau Center for Sustainability in San Francisco’s Presidio. CRS sports a new corporate logo, and we have upgraded our website to more accurately reflect who we are and what we do.

Even as we have embraced new program efforts, our board and staff have worked together to initiate long-term strategic planning to help focus our goals and strategies for the future.

As a result, CRS programs have more than kept pace with the demands of the evolving market for renewable energy.

Green-e Energy continues to experience strong growth, as evidenced by the astounding increase in market volumes for certified energy over the past year. At the end of 2008:

- Total renewable energy sales increased 45% from 2007
- 42% more renewable energy certificates (RECs) were sold
- Over 240,000 more residential customers purchased Green-e Energy Certified products
- Green pricing program sales increased by 80%

The launch of Green-e Climate in February 2008 was another milestone in CRS’s continuing efforts to create market solutions. Green-e Climate provides the same level of transparency, customer assurance, and rapid expansion opportunity for the greenhouse gas emission reduction (carbon offset) market that Green-e Energy brought to the
renewable energy certificates market. Green-e Climate also demonstrates that renewable energy can have a valuable role in this market.

Green-e Marketplace brought in high-profile participation from national business leaders that support renewable energy, including Intel Corporation and the World Champion Philadelphia Phillies. Companies are beginning to recognize the value of green marketing and the risks of “greenwashing.” They increasingly recognize that the best way to assure their customers that they are making real commitments is through an independent certification program like Green-e Marketplace.

CRS’s policy work scored significant victories during the year. CRS played a strong role in formulating policy positions favorable to the clean energy development in the Western Climate Initiative, the California Public Utilities Commission, the California Energy Commission, and most recently before the California Air Resources Board as it moves forward with implementation of AB32.

In each case, CRS worked with broad coalitions of stakeholders to inform policy development and avoid outcomes that could have limited or eliminated the voluntary renewable energy market or its future growth.

These successes provide undeniable evidence that the voluntary market is working—evidence CRS and its allies have used to protect the market in California, in the Regional Greenhouse Gas Initiative, and evidence we hope will be taken into account as federal climate-change legislation is adopted. We firmly believe that the challenge is too important and the pace of change too fast to ignore the important contribution that voluntary action can make if the regulatory framework is properly crafted.

There are other program achievements during 2008: the successful launch of the Environmental Tracking Network of North America (ETNNA), the great success from program and financial perspectives of the National Renewable Energy Marketing Conference in Denver, the significant contributions to the China Sustainable Energy Program, and the well-received report on solar power procurement options for electric utilities.

All great stories to tell…and our newly redesigned website and the CRS NewSolutions quarterly report provide modern, flexible platforms to share these successes with our community.

This isn’t to say we don’t face major challenges. Despite a new emphasis on green technologies, these are difficult times for all sectors of the economy. In particular, philanthropic giving has been hit hard, and the environmental sector is absorbing more than its share of the pain.

We recognize that the effort never ends, that CRS needs to be constantly looking ahead, forging new partnerships and identifying new opportunities and new funding sources, if we are to remain viable and grow to meet our potential.

If we work for mutually reinforcing policy and market solutions that promote sustainable energy, we have a clear opportunity to make a positive difference in how these policies are shaped. Together we can do more than enough to prevent the worst impacts of climate change.

CRS remains committed to achieving this vision, and we thank you for supporting our effort to do so.

Arthur O’Donnell

Executive Director
2008: A Year of Change

In many ways, the end of 2008 marked a new beginning at CRS. On the national stage, a new administration will mean an increased focus on renewable energy issues, and impending climate legislation will impact every aspect of the work we do in ensuring the integrity and value of voluntary markets. With the launch of Green-e Climate in February, we provided the nexus for renewable energy and carbon markets in the U.S. through a stakeholder-driven protocol that was several years in the making and will prove to be well positioned to help guide the nascent over-the-counter markets in the U.S.

With the retirement of CRS founding president and recent Green Power Pioneer Award winner Jan Hamrin, we welcomed in new executive director Arthur O’Donnell, who brings two decades of experience as a writer and reporter on energy issues and a new perspective on ways to expand our Green-e programs and CRS’s policy work. Jan wasted little time after her “retirement,” launching the Environmental Tracking Network of North America as its own nonprofit and serving as its founding secretary general.

While Arthur was settling into his new position, he received word that the historic Building 97, a former Red Cross building built during WWII that had housed CRS for six years, was slated to be demolished to make room for a new art museum near the Presidio’s main parade ground. The Presidio of San Francisco has been the home of CRS since its founding in 1997. Formerly a military base established in 1776 (serving first as a Spanish, then Mexican, and finally U.S. Army post), in 1994 the Presidio became a National Park within the Golden Gate National Recreation Area. After a long search of available properties, new, larger digs were found in the Tides Foundation’s Thoreau Center for Sustainability, a green nonprofit center in the Presidio which promotes sustainable workspace for nonprofits.

CRS also began an identity and website overhaul in 2008, beginning with a collaborative discussion that stretched over several months with staff and others, to identify a new look and feel for the organization—one that not only fits how CRS thinks of itself, but that is reflective of how we want to be perceived in the marketplace by others. The result was a bright, kinetic design with a modern typeface and the integration of a mobius strip to convey the idea of lasting, renewable energy. A new website was also designed from the ground up to be a clean, easy-to-navigate storehouse for CRS publications and current news about renewable energy policy.
Letter from the Board Chair

The time has come to substantially increase the use of sustainable energy solutions. The new administration in Washington, D.C., under the leadership of President Barack Obama, has made clean energy a centerpiece of national policy. Global attention is focusing on the challenge of climate change. In the midst of this dramatic new momentum, CRS uniquely offers a seasoned voice guiding the structural and policy elements of a sound renewable energy market. As excited advocates around the country turn their full attentions to cap and trade or renewable portfolio program design, CRS offers the experience and judgment of an organization that played the leadership role in the successful establishment of today’s voluntary renewable energy markets. As the inside crowd in Washington continues wrestling with the many challenges before them, CRS reminds policy leaders around the globe that regulations will not likely do it all, and that there remains a large market demand from businesses and individuals who want more clean energy now and tomorrow.

The year 2008 ushered in major changes and new possibilities for our nation; change was the theme for CRS in 2008 as well. We began the year congratulating our founding leader, Dr. Jan Hamrin, on her retirement after more than ten years of building CRS’s success. Jan’s vision and tireless efforts led to the creation of the Green-e Energy program, and she guided our efforts to bolster and shape the U.S. renewable energy market through numerous other CRS contributions. We are deeply thankful for her dedication and continued counsel.

We were wonderfully fortunate to find a new leader, Arthur O’Donnell, to take over the reins as CRS’s executive director. Based on decades working as a reporter on the U.S. electricity market and related businesses, Arthur brings to CRS a long-term perspective on the markets we serve and the intersection of renewable energy, regulation and environmental policy. Straight-talking and committed at his core to a clean energy future, Arthur is the leader for CRS’s next stage of operations and growth.

I was also honored to receive the charge to serve as CRS’s new board chair. I’m only the second chair CRS has had since it was founded, and I have great footsteps to fill after Mark Levine’s 10 years of committed service. While Mark continues to serve on the board, his decade of leadership and his teamwork with Jan were integral to the organization’s

As excited advocates around the country turn their full attentions to cap and trade or renewable portfolio program design, CRS offers the experience and judgment of an organization that played the leadership role in the successful establishment of today’s voluntary renewable energy markets.
success to-date. Everyone one of us owes a great debt of gratitude to him for his commitment to the vision of promoting renewable energy.

CRS saw more changes at the board level. While Doug Denio and Nancy Floyd resigned after years of service, we are fortunate to elect our newest board member, Peter Mostow, of Wilson Sonsini Goodrich & Rosa. Thank you to our dear friends Doug and Nancy, and a big welcome to Peter.

These changes have prompted an assessment of CRS programs’ health, energized our continued efforts to shore up CRS’s financial stability, and brought a new commitment to maintaining a long-term strategic outlook. We engaged a nonprofit governance consultant to help us start the process of identifying our board leadership needs in this new environment and plan to bring additional board members onto CRS’s board in 2009 and 2010.

One exciting result of our strategic planning efforts, and culminating a process that started in 2008, was the adoption by the board of a new CRS mission statement:

*CRS creates market and policy solutions to advance sustainable energy.*

Short in words but big in content, this new statement captures our role in society in rich detail. CRS’s work in markets and in policy continues to meet the goal of developing more sustainable means for everyone to produce and consume energy.

CRS is known for the results its people have inspired and created. Still, we know that challenges and opportunities lie ahead. We thank you and all our partners for the support we have received—you have helped CRS achieve its mission for more than ten years.

Sincerely yours,

Karl Rábago

*Board Chair*

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**CRS reminds policy leaders around the globe that regulations will not likely do it all, and that there remains a large market demand from businesses and individuals who want more clean energy now and tomorrow.**
Clean Energy and Climate Policy

Renewable energy is a critical component of all local, state, regional and national policies to address global warming. During 2008 CRS turned its policy focus to ensuring that renewable energy is on the agenda for lawmakers and stakeholders engaged in implementing carbon-reduction goals. CRS is focused on promoting the right balance within climate legislation between prioritizing renewable energy development and energy efficiency, and in giving consumers the tools they need to continue driving demand for renewable energy.

In the West, the largest regional effort at reducing greenhouse gas emissions from the electricity sector is the Western Climate Initiative (WCI). WCI is an agreement between the governors of 11 Western states and Canadian provinces to reduce their greenhouse gas emissions from the electricity sector 15% below 2005 levels by 2020. The key policy strategy to accomplish this goal is the creation of a cap-and-trade system that limits emissions economy-wide and allows for market trading activities to set carbon prices and direct resources where they can achieve the greatest results.

CRS worked closely with the WCI electricity subcommittee and the Western Climate Advocates Network (WeCAN) to encourage the WCI Partners to create a cap-and-trade program that includes incentives for renewable energy development and gives credit to purchases in the voluntary market. CRS and its allies continue to work with WCI to address these issues.

California is an active participant in WCI, but it also enacted its own climate change legislation in 2006, the Global Warming Solutions Act (AB 32), which commits the state to reducing its greenhouse gas emissions to 1990 levels by 2020. Since the bill was passed, the state has been working out the details of the various approaches to achieving this reduction, including a multi-sector cap-and-trade program. CRS was part of a focused coalition of organizations and clean energy businesses, including the Global Warming...
Action Coalition, the Solar Alliance, the Renewable Energy Marketers Association, and large-scale purchasers of Green-e Energy Certified renewable energy. This coalition succeeded in convincing regulators to make changes to the Scoping Plan released in November 2008 to recognize the potential for voluntary purchases of renewable energy to reduce more carbon emissions than by a cap-and-trade program or mandates alone.

In addition to its work fostering voluntary markets, CRS also participated on the steering committee of the Federal-State Renewable Portfolio Standard Collaborative, an organization aimed at improving and strengthening state renewable portfolio standards.


Also on the renewable energy policy front, CRS and allies successfully argued that the California Public Utilities Commission should define renewable energy certificates (RECs) as incorporating all of the environmental attributes of renewable power generation. This key decision was part of an ongoing proceeding that will direct how regulated utilities procure energy to meet their renewable portfolio standard mandates.

Two state bills were introduced in 2008 that threatened to curtail much of the over-the-counter carbon offset market in California. CRS worked with the state legislature to provide education on the role independent standards like Green-e Climate currently play in ensuring quality in the marketplace. Both bills failed, but it is likely that this issue will come up again.
Consumer Protection Programs

Green-e Climate

Green-e’s newest certification program, Green-e Climate, was launched at Carbon Forum America in San Francisco in February 2008. Green-e Climate certifies greenhouse gas emission reduction (carbon offset) products sold on the voluntary market. The program received a blizzard of coverage in the press and glowing comments by some of the most important players in the U.S. carbon market. By the end of the calendar year, Green-e Climate had eight sellers with 14 certified products sourced from a variety of project types, including renewable energy and methane destruction. In 2008, the program certified over 136,000 tons of CO₂-equivalent sold. Green-e Climate is the only carbon offset product certification program in the nation. It guarantees that emission reductions products that carry its certification come from high-quality projects and meet the program’s requirements for consumer-disclosure and truth in marketing.

Green-e Energy

In 2008, Green-e Energy certified over half the voluntary renewable energy market in the U.S. and showed an impressive 45% growth over the previous year. This sales volume is equivalent to over 13 million MWh, with over 500,000 residential customers and more than 20,000 commercial customers across the U.S. and Canada purchasing Green-e Energy Certified renewable energy—increases of 94% and 97%, respectively. Utility participation in Green-e Energy also grew significantly in 2008, with certified utility green-pricing sales reaching nearly 2.2 million MWh, an 80% increase from 2007. Over 450,000 customers participated in green-pricing programs, with residential purchases increasing 69% over 2007. Commercial purchases more than doubled in the same period. CRS sees this tremendous growth as a sign that more consumers see the value of certification and electricity providers recognize the value of independent oversight of their green power and renewable energy certificate (REC) products. Along with running a successful program, Green-e Energy staff also kept up a busy speaking schedule, presenting at nearly a dozen events, and participating on committees and at hearings for both WCI and AB32 implementation.

Green-e Marketplace

Organizations that use certified renewable energy for their headquarters, U.S. operations, and products can participate in Green-e Marketplace, a program that enables organizations to demonstrate their environmental commitment through the use of the nationally recognized Green-e logo. Participants in the program represent a wide diversity of industries, including health care, paper products, electronics manufacturing, storage, and professional sports teams. In 2008, the Green-e logo appeared on more than 200 products nationwide and over 80 percent of participating companies matched 100% of their electricity use with renewable energy. With major organizations such as the Philadelphia Phillies, Millipore, and Becton Dickinson joining the program, as well as Intel’s largest purchase of renewable energy in U.S. history, the total MWh of certified renewable energy used by Green-e Marketplace participants grew to 2.93 million MWh.
Clean Energy Initiatives

China Sustainable Energy Program (CSEP)

For many years, CRS has been a key partner in the Energy Foundation’s CSEP initiative aimed at increasing the use of renewable energy in China. In 2008, CRS’s role changed from promoting renewable energy policy at the national-government level to working at the provincial level to bring renewable energy projects into operation. Two additional areas of focus were added in 2008: providing detailed assistance with high-penetration wind analysis to Energy Foundation grantees in China, and analyzing the co-benefits of renewable energy. In June 2008, the World Bank awarded CRS a contract to focus on developing and setting up necessary policy instruments to support the implementation of China’s Renewable Energy Law.

Carbon Neutral Alliance

The Carbon Neutral Alliance is a program CRS formally launched in 2007 to encourage foundations and nonprofits to reduce their emissions to address climate change. In 2008, seven organizations joined the Carbon Neutral Alliance. CRS finalized its carbon calculator and step-by-step guide to help member organizations establish their greenhouse gas inventory and take steps to reduce it. CRS completed a consulting contract with the Rockefeller Foundation to calculate its carbon footprint, and partnered with the Environmental Grantmakers Association (EGA) to create a guide for the philanthropic community: Green Beyond Grants Guide, Volume II: The Carbon Story.

Environmental Tracking Network of North America (ETNNA)

CRS successfully launched the Environmental Tracking Network of North America (ETNNA) to further encourage the development of the voluntary renewable energy market. ETNNA is a voluntary association of REC tracking systems, environmental registries, and regulators, with the goal of streamlining inter-registry transfers and ensuring regional environmental markets work in harmony. ETNNA released its first whitepaper in November, Treatment of Environmental Attributes Across Tracking Systems, which provides policy-neutral guidance for tracking systems that want to create uniformity in the treatment of environmental attributes associated with RECs. The 2009 goal for ETNNA is to spin the organization into a separate nonprofit organization separate from CRS.

National Renewable Energy Marketing Conference

In partnership with the Environmental Protection Agency’s Green Power Partners Program, the Department of Energy (DOE), and DOE’s National Renewable Energy Laboratory, CRS presents an annual conference for sellers and producers of renewable energy. In 2008, the 13th annual conference took place on October 26–29 in Denver, Colorado. Over 400 people attended, a significant increase over the previous year. Over 75 speakers provided a variety of workshops and plenary sessions, and the conference was a showcase for two dozen exhibitors.
Public Engagements


Green Trade Network Summit. September 19, 2008, Santa Cruz, CA. Andrew Nourafshan spoke on “The Importance and Value of Independent Certification in Environmental Markets.”


Center for Resource Solutions  
Statement of Activities  
Year Ended December 31, 2008  
(With Comparative Totals for the Year Ended December 31, 2007)

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2008</th>
<th>Total 2007</th>
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<td><strong>REVENUE AND SUPPORT</strong></td>
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<tr>
<td><strong>Support</strong></td>
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<td>Government contracts</td>
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<td>Grants</td>
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<td>Contributions</td>
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<td><strong>Revenue</strong></td>
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<td>Certification fees</td>
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<td>Contract fees</td>
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<td>Interest income</td>
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<td>Consulting</td>
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<td><strong>Total revenue</strong></td>
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<td>1,081,306</td>
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<td>Net assets released from restriction (Note 6)</td>
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<td><strong>Total Revenue and Support</strong></td>
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<td><strong>Expenses</strong></td>
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<td>Program services</td>
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<td>100,812</td>
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<td>Net Assets, beginning of year</td>
<td>(59,822)</td>
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<td><strong>Net Assets, end of year</strong></td>
<td>$ 40,990</td>
<td>$342,007</td>
<td>$382,997</td>
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</table>
2008 CRS Staff

Troy Arnold
Director of Development and Strategic Initiatives

Adam Arthur Bier
Green-e Markets Fellow

Orrin Cook
Senior Analyst, Green-e Marketplace

Martin Dooley
IT & Operations Manager

Jennifer Giles
Director of Sustainable Energy Initiatives

Dr. Jan Hamrin
Consultant

Laurel Hilton
Director of Development and Strategic Initiatives

Andreas Karelas
Green-e Energy Program Analyst

Lars Kvale
Green-e Climate Manager

Alison Lambert
Administrative Assistant

Galen Lemei
Legal Fellow

Jennifer Martin
Deputy Director

Andrew Nourafshan
Green-e Climate Analyst

Arthur J. O’Donnell
Executive Director

Alex Pennock
Green-e Energy Manager

Robin Quarrier
Green-e Energy Analyst & Counsel

Justin Roth
Green-e Marketplace Analyst

Aleka Seville
Green-e Marketplace Senior Analyst

Scott Sheckman
Development Associate

Jeff Swencerton
Director of Communications

Rachael Terada
Project Manager

Jane Valentino
Green-e Climate Manager

Meredith Wingate
Policy Director

Dee Young
Director of Accounting & Human Services

CRS Board of Directors

Julie Blunden
Vice President of External Affairs
SunPower Corporation

Claudine Cmarada (Schneider)
Consultant

Douglas DeNio
Retired
U.S. Park Service

Nancy Floyd
Managing Director
Nth Power

Jan Hamrin
Ex-Officio Member
President, CRS (Outgoing)

Mark Levine
Senior Staff Scientist
Lawrence Berkeley National Laboratory

Karl Rábago
Director, Global Regulatory Affairs
Global Business Transformation Group
The AES Corporation

Rick Sellers
Director
Arxiel Ventures

Byron Sher
Former Senator
California State Legislature

Carl Weinberg
Principal
Weinberg Associates

2008 Funders
(in alphabetical order)

3Degrees
APX
Constellation Energy
The Energy Foundation
FPL Energy
HSBC – North America
Nathan Cummings Foundation
Smart Power
State of Colorado Governor’s Energy Office
Sterling Planet
U.S. Department of Energy
U.S. Environmental Protection Agency
Xcel Energy
Center for Resource Solutions creates policy and market solutions to advance sustainable energy.