

**Green-e Governance Board Minutes of the Meeting**  
**Thursday, April 24, 2008; 11:00 AM – 1:00 PM PDT**

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**Attendees:**

Doug DeNio, *Board Chair, Center for Resource Solutions Board Member*  
Michael Vickerman, *RENEW Wisconsin*  
Jesse Jenkins, *Renewable Northwest Project*  
Bud Beebe, *Sacramento Municipal Utility District (Ret.)*  
Cynthia Mitchell, *Energy Economics, Inc.*  
Arthur O'Donnell, *Center for Resource Solutions*  
Alan Noguee, *Union of Concerned Scientists*

**Non-Voting Member:**

Mike Brown, *Santee Cooper, UGPAC Chair*

**Items 1 and 2. Welcome from Chair Doug DeNio, Review and Adopt Agenda**

Roll Call and Determination of Quorum was performed by Board Chair Doug DeNio. The Board decided to rearrange the agenda slightly to accommodate individual schedules.

**Item 3. Vote to Approve Documents**

The Board approved Meeting Minutes from January 29, 2008 meeting.

**Item 4. Discussion on ISEAL in Regards to Green-e Climate and Energy**

A member of the CRS Staff ("Staff") gave a short description of what ISEAL is and CRS's relationship with ISEAL. ISEAL is a non-profit organization that offers best practices for environmental and social labeling. They have devised their own standards for certification programs. These include: independent governance, avoiding conflicting interests, and resolving disputes among stakeholders. Green-e joined ISEAL as an Associate Member in November. Green-e is already in compliance with most of the standard and in order to become a full member will need to make small changes over the next three years. The benefits for Green-e being a part of ISEAL are: support for Green-e's standard setting and stakeholder involvement processes, and improved domestic and international recognition. A member of the Green-e Governance Board ("Board") asked if this is strictly Green-e or does it apply to all of CRS. Staff replied that it is for the whole organization, and all programs.

**Item 6. Treatment of Canadian RECs and Facilities**

*EcoLogo Hydro rules vs. LIHI*

Staff explained the situation that Green-e has discovered regarding hydro power under the Green-e Energy National Standard. Under this standard, all hydro facilities above 5 MW in nameplate capacity need to be LIHI certified. However LIHI certification is not available for facilities in Canada.

Staff has compared EcoLogo and LIHI's standards on hydro. The staff opinion is that EcoLogo does meet the same intent as LIHI although it does so using different language.

Specifically, the EcoLogo standard does address the points of watershed protection and facilities for removal, though not as explicitly as the LIHI standard.

The Board voted on allowing EcoLogo certification to substitute for LIHI in Canada when a facility is larger than 5 MW. All were in favor, none opposed, no abstentions.

*EcoLogo Biomass rules vs. Green-e Energy*

Staff raised the fact that biomass electricity is handled differently under EcoLogo than under Green-e Energy, particularly in terms of allowable emissions rates. Staff explained the point value system that EcoLogo has created to cap emissions for biomass, and how, in Staff's opinion, this point system would ensure that emissions rates from Canadian facilities are not substantially greater than US facilities, and that they are typically substantially less.

The Board supported this position and agreed that there should not be extra emissions criteria for Canadian biomass facilities beyond those required by EcoLogo in order to be eligible under the Green-e Energy National Standard.

**Item 7.1. Vote on 6MW Run-of-River Hydro Facility in Cordova, AK**

Staff explained that the current Green-e Energy National Standard requires hydro facilities above 5MW in nameplate capacity to be LIHI certified. The 6MW Power Creek hydro facility in Cordova, AK, submitted a letter requesting an exception to this cutoff, for reasons that Staff elaborated to the Board:

- In that section of Alaska, electricity users would otherwise be burning diesel fuel in generators, thus making the hydro facility have a greater environmental benefit than in many other locations.
- The facility passed reviews concerning long-term monitoring and leaving adequate bypass for salmon by FERC and local watershed- and environmental-protection agencies.
- Power Creek supplied the Board with documentation describing that that the facility only surpassed 5MW of production 1.39% of the time, despite the higher nameplate capacity.

The Board brought up that often renewables like PV and wind rarely meet their nameplate capacity in terms of output, and that it is important to consider is the environmental integrity of a facility. The Board mentioned that facility seemed to be a good candidate for an exception to the Green-e Energy National Standard, given its operating characteristics, technology, environmental benefits and intent to help the community in which it is located join the EPA Green Power Partnership's Green Power Community program.

The Board concluded that Staff should discuss the case with LIHI and the EPA to ensure that any decision made by the Board would not negatively impact either of those programs. Staff contacted these two programs after the call, and based on the results of these discussions the Board voted to grant an exception to the 5MW cutoff to Power

Creek and allow it to be considered eligible under the Green-e Energy National Standard, as it met the standard in every other applicable way.

### **Item 7.2. Final Vote on Georgia Pacific Co-firing**

Staff reviewed information regarding the Georgia Pacific's Toledo, OR, Mill proposed co-firing methodology that was discussed during the previous Board call. Staff gave an update, providing Georgia Pacific's responses to questions written by the Board after the previous Board call. The Board felt comfortable with this additional information and called for a vote. All were for in favor of approving the use of the co-firing methodology as proposed, none were opposed, and none abstained.

### **Item 5. Discussion of Rate Base Renewables Use by Utilities**

As a follow-up to the previous Board call, Staff sought guidance from the Board on treatment of renewables under certain scenarios related to utilities buying and/or generating RECs that they use toward their green pricing programs and their rate base customers.

Staff launched the discussion by asking the following question: What happens when a utility purchases renewable energy output from a facility and the costs are incorporated by the rate-based customers, but then down the road the utility decides to start a voluntary green pricing program utilizing renewables from that same facility? One concern is that a green pricing program in this case would not be purchasing or generating renewables above and beyond what they were before development of the green pricing program. The same concern applies to a similar case where a utility that sells RECs from this existing contract into the market, rather than using them in an internal green pricing program. Staff asked for thoughts from Board.

The Board raised a number of broad issues related to this, in particular:

- Rate payer equity, in terms of costs being front-loaded and paid for by regular customers, without those customers receiving the payoff of having the resource be part of their long-term mix.
- Complications around involvement of companies' political and marketing arms.
- Facilities might be able to borrow money against the future revenues to build a project, but whether or not they want to promise the renewables for voluntary or rate-based can't always be determined up front.
- The fact that utilities own the MWh, and rearranging their renewables portfolio is within their rights, though sometimes it is only done to capture the green pricing program premium.
- The need to see early discussions of project to see the owner's early intention for the RECs. For example, Green-e Climate guidelines say that if a generator of greenhouse gas reductions does not sell reductions into the voluntary market in 3 years then it wasn't built with the voluntary market in mind, making it non-eligible for certification; perhaps a similar rule should be put into place for Green-e Energy.
- The credibility of a utility or green pricing program if no new renewables are built from the revenues of the voluntary green-pricing program.

On this last point, Staff brought up the idea of making sure that the company invests in developing renewables with the revenues from the voluntary green pricing program, though this would be difficult to enforce. Staff also stressed the need for accurate disclosure of which customers have claim to the renewables.

The Board brought up the idea of forced notification when renewables are swapped from the rate base to a voluntary program, which could possibly be regulated by the applicable Public Utility Commission, and if this should call for a potential revision of the standard.

The Board asked that Staff add this general issue to a broader paper under development that covers claims around renewable energy and decided to continue investigate the issue further at a later date as necessary.

### **Item 8. Future Topics of Discussion to Consider**

#### *RGGI Allocation of Renewable Energy Set-Aside*

Staff gave a brief introduction saying that certain states in the Northeast will be implementing the Regional Green-house Gas Initiative (“RGGI”) in 2009. Under RGGI there will be a carbon cap-and-trade imposed on the electricity sectors of all participating states, but there is concern about ensuring that RECs generated in RGGI states and sold in RGGI states in the voluntary market actually reduce the cap within RGGI. Staff pointed out that RECs sold outside the RGGI states do not count towards lowering the cap. The Board recommended that Staff continue to research RGGI implementations and its treatment of voluntary renewable energy sales, and agreed to continue the discussion of RGGI at the next Board call.

#### *Update on Clean and Green*

Staff told the Board that as suggested in the last meeting, a letter was sent to the Attorney General of Colorado about the decertification of Clean and Green’s REC product in 2007. Staff also pointed out that Clean and Green has been insolvent since March. Staff informed the Board that the AG had not yet come forward on the issue, and that there were two mentions in the press of the issue in Ecosystem Marketplace, and a local CO newspaper.

#### *Eligibility of Canadian RECs under Canada’s Kyoto Obligations*

Staff brought up to the Board the issue that Canada, under its obligation to the Kyoto Protocol, is talking about implementing a regional carbon cap and trade, which could impact the eligibility of Canadian RECs for Green-e Energy certification. While the cap-and-trade hasn’t come into effect yet, Staff is aware of the potentially issue, so if it does come into effect Green-e will be able to act swiftly.

#### *Suggestion to Start Moving the “New” Date Forward under Green-e Energy*

Staff mentioned to the Board the idea of starting to move forward the date on or after which a renewable energy generation facility must have come online in order to be eligible under Green-e Energy. As exists under Green-e Climate, a 15-year window of eligibility was recommended. The suggested change would take place in 2013 when the “new” date would change to 1998. Staff suggested that this be discussed at the next

Board meeting and that the issue be resolved relatively soon, despite not affecting eligibility of facilities for a number of years, in order to give facilities early notice of the significant change to the Green-e Energy National Standard. The Board agreed to consider and discuss this potential change at the next Board meeting.

**Item 9: Adjourn Meeting**

Board Chair Doug DeNio called the meeting to adjourn; the meeting was adjourned at 1 PM, PDT.