

Green-e Governance Board Meeting
Thursday May 21, 2009; 12:00 PM PDT

Attendees:

Arthur O'Donnell, *Center for Resource Solutions*
Bud Beebe, *Sacramento Municipal Utility District*
Mary Carr, *Southern Alliance for Clean Energy*
Audrey Chang, *Natural Resources Defense Council*
Katie Kalinowski, *Renewable Northwest Project*
Barry Friedman, *National Renewable Energy Laboratory*
Karl Rabago, *Austin Energy*
Erin Meezan, *Interface*
Brian Gower, *APX, Inc. (for Lars Kvale)*

Non-voting members:

Jay Carlis, *Community Energy, CMAC Chair*
Pat Keily, *We Energies, UGPAC Chair*

Quorum established. Called to order 12:05 PM.

1. Welcome New Board Member

Mary Carr, replacing Rita Kilpatrick from the Southern Alliance for Clean Energy, was introduced.

2. Review and Approve Documents

The Agenda, Meeting Minutes from February 18, 2009 Meeting, and Meeting Minutes from November 17, 2008 Meeting were approved, with a minor spelling correction. One abstention for the minutes.

3. RGGI

Green-e Energy is considering ways to ensure carbon emissions reductions take place in cases where the number of allowances set aside under a state's off-the-top policy for voluntary renewable energy sales is too few to meet renewable energy sales demand. A policy addressing this would function as a safety valve mechanism.

The Board reviewed and discussed policy language proposed by Green-e staff. Discussions focused on REC vintage requirements for the true-up period. There is a concern from marketers that it will be very difficult to purchase eligible allowances so late, possibly even after verification, depending on the vintage requirements for allowances that would be allowable to meet such a true-up policy. Another concern voiced was the monetary cost to buy open-market allowances without being able to know at the time of REC sale whether the set aside amount would be under-allocated at the time of reporting.

This is was a not voting item, but Staff took comments from the Board to make sure any requirements are clear. This discussion was tabled and Staff will distribute other options by email.

A second RGGI item discussed was the potential endorsement of RGGI allowances under Green-e Climate. RGGI is over allocated by approximately 17%, and it is likely that it will

be over allocated until 2015. Due to the fact that the retirement of a RGGI allowance would not necessarily result in a reduction of total greenhouse gas emissions since the cap is set so high, the Board agreed not to endorse RGGI allowances as eligible offsets under Green-e Climate. It was mentioned that the idea of rewarding voluntary reductions with cap reductions is a good one, and if the cap were tightened down the road Green-e Climate would revisit this issue. Green-e Climate would consider endorsing EU ETS based allowances. Staff may consider a public statement related to Green-e's experience with RGGI resulting in the strong belief that a restrictive cap is critical at the very start of a cap and trade program.

A vote was called to decide whether to hold off on endorsing RGGI allowances: 9 vote to hold off, none opposed, 1 abstention.

5. Protocol for Renewable Energy Additionality Tests

Staff has agreed to update the Protocol for Renewable Energy Additionality Tests at least every three years. As a result of significant market changes, Staff believes another update is necessary. From 2003-2007, rough calculations show that 10% of new capacity added nationwide was zero emitting. In 2007, roughly 37% was zero emitting. Adding new renewables in certain regions of the country is no longer beyond a business as usual activity. In order to address regional variances, Staff is considering reevaluating the Performance and Technology Test by regions and technology type. Most likely wind in Texas and the Midwest would become ineligible.

The Board decided that Staff should confer with the GHG subcommittee and certain members of the Board on the final results before taking the results to stakeholders then back to the Board.

6. 2010 Update to the Green-e Energy National Standard

Green-e Energy apprised the Board of its plans to initiate a round of updates to the Standard in 2010. In order to keep the Standard current and of high quality, Staff will reach out to participants for feedback on the following issues: siting of wind farms, issues not adequately addressed by governments, tracking systems (to consider increasing use in verification), tidal and ocean energy and other topics. Staff will then propose a number of points that need to be changed in the Standard and submit such changes to stakeholders for comment. Based on stakeholder comments, a second comment period might be necessary, after which the Board would vote on updates and changes. Staff projected that any changes would take effect January 1, 2011, giving Green-e Energy participants time to adapt to the changes.

7. Request for Variance from National Standard Geographic Rules

A participating company requested a variance to the National Standard section entitled "Geographic Eligibility for Electricity Products", requesting that up to 15% of the supply used toward a green electricity product be allowed to come from an adjacent NERC region. This topic garnered much discussion and was tabled with a request to Green-e Energy Staff to get more information. Members of the Board are concerned that the variance was requested entirely on financial grounds, and that it would be possible to offer a similar product by paying more for in-region wind or solar.

The Board requested more information from the participating company as to the extent that wind and solar resources are limited in the area. One idea was floated to enable the company to have a short term variance of a few years, at which point the marketer would be forced to purchase similar supply from within the region, or alternatively, to allow them to apply for an

extension of the variance. Another idea would be to deny the waiver, and let the utility offer a REC product complete with disclosure language, though there was general agreement that this option could be damaging to the program. An email containing more information and voting instructions was sent out on June 2 by Green-e Staff.

In response to the email, a vote was called on whether to grant the variance for 3 years, after which the potential participant would have to show that they had developed or procured adequate in-region renewable or show their need for an extension of the variance, with the caveat that a request for extension would require a higher burden of proof.

The vote was also conducted over email, with 8 yes votes received, zero no votes and zero abstentions by the deadline. Upon notification that quorum had been reached, no Board members voice objections. The variance was approved for 3 years.

8. Co-firing Votes and Worksheets

Staff and a Board member with relevant expertise recommend the approval of four methodologies for co-firing generation of RECs. All facilities are paper mills, and each mill makes electricity and process steam. The mills include: International Paper Courtland Mill, SCE&G Charleston South Carolina Facility, International Paper Valliant Mill, Georgia Pacific Palatka Mill. Methodologies were reviewed by the Board member and Green-e Energy staff in advance of the call.

A vote was called, without quorum being reached, due to abstentions by Board members looking for more information on the facilities as they relate to Green-e Energy's co-firing requirements. The item was tabled until after abstaining Board member's questions could be answered, and it was deemed that there was inadequate time on the call for this. Therefore, Green-e Staff called these Board members after the meeting to give an in-depth explanation of the co-firing methodologies. Once the votes from the original abstainers were counted with the original votes, all four methodologies were approved.

Additionally, Green-e Energy Staff drafted co-firing worksheets to ease the methodology evaluation process. Staff requested that the Board review the co-firing worksheets.

9. EPA Grant Update

Staff brought up possible revisions to Green-e Energy's certification of brokered transactions. Staff has investigated whether brokers could to be able to certify any kind of transaction; the current broker certification only allows transactions from generators to retail customers.

Staff is developing a paper about Green-e and the effect of large commercial purchases on the renewable energy market. This will be available on the Green-e Web site. The Web site will also be update with a FAQ and additional information resources for consumers.

10. Updates since Last Call

Staff hosted a call earlier in the day with the Utility Green Pricing Advisory Committee (UGPAC), and received feedback as to how we could streamline the utility certification process and what value is derived from Green-e Energy certification.

Green-e Marketplace has launched an advisory committee with 11 participants at the moment. They are looking for additional participants, and in particular, an environmental group.

The Renewable Energy Markets Conference will be on September 13-16 in Atlanta, Georgia. Registration opens in early June. There will be a dinner for the Board.

Meeting adjourned at 2:05 PM.