

Green-e Governance Board Minutes of the Meeting
Wednesday, July 23, 2008; 9:30 – 11:25 AM PDT

Attendees:

Karl Rábago, *Austin Energy, Chair*
Bud Beebe, *Sacramento Municipal Utility District*
Arthur O'Donnell, *Center for Resource Solutions*
Mary Carr Bendeck, *Southern Alliance for Clean Energy*
Barry Friedman, *National Renewable Energy Laboratory*
Alan Noguee, *Union of Concerned Scientists*
Diane Zipper, *Renewable Northwest Project*

Non-Voting Members:

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

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

Roll call was performed, but there were not enough voting members present at the time to determine quorum. Board Chair Doug DeNio introduced a new Board member, Barry Friedman. Barry gave a brief overview of his background at Renewable Choice and NREL. The agenda was reviewed and adopted.

Item 3. Vote to Approve Documents

The Board approved the Meeting Minutes from the April 24, 2008, meeting.

Item 4. RGGI Treatment of Voluntary Renewables and Green-e Energy

A member of the CRS staff ("Staff") gave a description of the work Staff has been doing involving the Regional Greenhouse Gas Initiative (RGGI). Staff has researched how each RGGI state will handle the voluntary market. Each state will have to be dealt with on an individual basis, since each can design its own policy for ensuring that voluntary renewable energy sales are recognized for the emissions they back down elsewhere in a RGGI state. Staff was not able to craft specific language for Green-e Energy policy surrounding the RGGI issue, because not all states have finalized their policies.

A Board member asked if Staff knows what the Green-e Energy language regarding RGGI might be in the future. Staff replied that the issue will be mentioned in the eligibility section of the Green-e Energy National Standard, where they anticipate having a number of scenarios into which the states might fall, and they will be dealt with based on the criteria for their respective category. Staff said transactions will hopefully take place within tracking systems that CRS can rely on for their verification process. A Board member asked how many states have adopted a no-limits off-the-top policy. Staff responded that it is currently unclear because some states have suggested a cap but have not stated a specific amount, but that it's possible no states will go unlimited.

Staff will continue to monitor new developments in RGGI policy and will keep the Board apprised of how policies will affect Green-e Energy policy.

Item 5. Discussion of Moving the Green-e Energy "New" Date Forward

Staff explained that under the Green-e Climate program, renewable energy facilities must have started generation on or after January 1, 2005, in order to be eligible to provide Green-e Climate eligible offsets, and only remain eligible for 15 years of their online date. Green-e Energy's "new" date is January 1st, 1997, because that is agreed to be roughly the time when the REC market began. Because 1997 will at some point no longer be new or recent, Staff is interested in potentially limiting the number of years a facility is eligible to provide Green-e Energy eligible RECs. If the Climate time limit of 15 is adopted, the 1997 new date would not begin moving until 2013. A Board member said they agree with the idea, but it may have to be changed for new technologies, and that projects contracted before AB32 may have to be dealt with differently than those contracted after AB32.

Staff explained that the 15 years rule came from CDM protocols, which range from 10-18 years, and talking with marketers, which often have REC supply contracts ranging from 10-20 years. A Board member brought up the fact that changing the "new" date could complicate things for developers starting renewable facilities and counting on revenue from the environmental attributes, because the revenue stream would run out. A Staff member replied that in order to drive development of new renewable energy projects, incentive needs to be given to new projects, which is why the 1997 "new" date was implemented in the first place. A Board member said that in some programs the contract is shorter, such as under the Renewable Energy Production Incentive (REPI) in the Energy Act of 1992, and it seems 15 years is ample to be considered "new" under Green-e Energy. A Board member says the Gold Standard has a 7 year contract, which can be renewed for another 7 year contract, for a total of 14 years.

Staff explained next steps, which include talking to the PMAC and UGPAC and finding others to contact such as the EPA Green Power Partnership. Next the idea will be opened up to a public comment period, and the suggestions brought to the Board for a vote at the next Board meeting. Staff brought up a few specific issues involved with how to implement the 15-year limitation, such as grandfathering a 20-year contract that was signed in 2012, which might allow a facility to be considered eligible for too long. Also, the eligibility of RECS in the carry-over process from 2012-2013 is an issue, since RECs generated in second half of 2012 may or may not be allowed to be sold in the first half of 2013.

Staff will collect feedback from the PMAC, UGPAC and other stakeholders on the issue to continue to report to the Board on the matter.

Item 6. Green-e Climate

Staff gave an update on the Green-e Climate program, which launched in February, 2008, with four participants. Since its launch a fifth company, Luminant, has joined, and Staff expects that two more will join within the next few weeks. Staff explained that Green-e Energy Certified RECs can no longer be sold as offsets, but offsets from renewable energy projects can be Green-e Climate Certified in certain circumstances, because of Climate's additionality screens. Thus far, marketers have been hesitant to sign up because they are unsure if they can produce an accurate product content label for their Green-e Climate certified products, without the final certification for a project from VCS or the Gold Standard. There will be further uptake of Green-e Climate when those standards are fully available in the U.S.

Staff explained that Climate now require participants to use tracking systems for verification of sales of offsets from renewable energy projects, since tracking systems such as WREGIS are in place and they are the best tool to avoid double counting the benefits of renewable energy generation.

Staff stated that it is working on endorsing the California Climate Registry as one of their accepted offset certifications.

Item 7. Brief on a CA Climate Bill (the Perata Bill)

Staff provided a brief update on the Perata Bill, a climate bill in the California Senate, which would regulate the voluntary carbon offset market in the state. The bill has raised much controversy because it would accept only offsets that have been approved by the California Air Resources Board or the California Climate Action Registry, neither of which have protocols for approving offsets from renewable energy projects. Staff explained that CRS has two main concerns regarding the bill. The first is that the bill as written may harm the green power market. The second is that the creators of the bill may not have evaluated the full range of existing carbon offset certification programs before determining which programs could be accepted.

Two members of CRS Staff recently traveled to Sacramento for a meeting with the California Air Resources Board (CARB) to introduce them to the Green-e Climate program and the issues it addresses. Staff also discussed RGGI and how California could include an off-the-top rule in-state or in the Western Climate Initiative.

Item 8. Co-firing Methodology for Consideration

Staff introduced an idea to update the Green-e Energy National Standard to allow facilities that co-fire renewable fuels with fossil fuels to more easily determine their eligibility to supply Green-e Energy eligible RECs. Currently each co-firing facility has to submit for Board approval a methodology to calculate the eligible RECS the facility produces. Staff has reached out to PMAC and UGPAC to develop calculation methodologies that could be included in the National Standard, so that not every co-firing application has to be voted upon during Board meetings, as long as the co-firing facility can demonstrate that it is using an approved co-firing methodology. Bud Beebe volunteered to act as liaison between the PMAC, UGPAC and the Board.

Staff introduced a co-firing methodology that had recently been submitted by a particular facility. Staff gave an overview of the facility's methodology and asked for Board member questions and comments. A Board inquired about emissions standard for co-firing projects. Staff said Green-e Energy eligible facilities must meet the emissions requirements of the state in which they are located. A Board member said they should evaluate the emissions of each project, and how much of the facility's output is from renewable sources versus non-renewable. Staff responded that there were updates made to the facility in question and emissions were reduced due to co-firing. Board members discussed the proposal and decided the co-firing method seemed generally sound, but that some of the points in the methodology need further explanation. Staff offered to follow up with the applicant and take further questions to them for written responses for the Board to review before making a final decision.

The application was voted on via email after answers to the Board's questions were received and reviewed. The Board approved the application on August 25, 2008.

Item 9. Green-e Marketplace Overview and Updates

Staff provided an overview and update on the Green-e Marketplace program. Marketplace is a program for organizations that buy renewable energy and want to become authorized to use the Green-e logo to promote their purchases. Marketplace has recently limited the types of permissible logo use claims. Since the program has grown, Marketplace is looking to develop a governance Board specific to Marketplace, with sub-committees for specific industries to address specific logo claims. Staff asked the Board for ideas about organizations or people who may be good candidates for the Board, and the Board offered to email suggestions.

Item 10. Updates from Previous Call

ISEAL. The Technical Director of ISEAL visited CRS Staff to learn about each certification and discuss how to meet compliance in the next two years.

Treatment of Canadian RECs. Some Canadian RECs have shown up in marketers' verification reports.

Vote on Alaska Hydro Facility. RECs from the Power Creek facility were allocated toward Green-e Energy Certified sales made in 2007.

Vote on a previous co-firing methodology. These RECs have shown up in verification reports and the number of RECs generated and claimed look appropriate.

Rate Base Renewables. No new rules have been added to Green-e Energy policy based on previous discussions with the Board.

National Renewable Energy Conference. The conference will be in Denver in October and the registration fee for Board members will be compensated. Staff asked for suggestions about a Board meeting and/or dinner during the conference. A Board member said he would like to keep the dinner, but there should also be an on-site meeting when members who cannot attend the conference can call in.

Late Fees. In 2007 Staff had a problem getting people to turn in their verification materials on time, so this year they instated a fine of \$500 per day for late materials. Staff suggested that for next year the program should scale the fine to correlate with the annual fee paid by each company.

Item 11. Next Steps and Adjourn

Board Chair Doug DeNio called the meeting to adjourn; the meeting was adjourned at 11:20 AM, PDT.