

. . . Green Tags

The What, Why, and
How Of . . .

UWIG Utility Workshop

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Bonneville Environmental Foundation

Angus Duncan

President



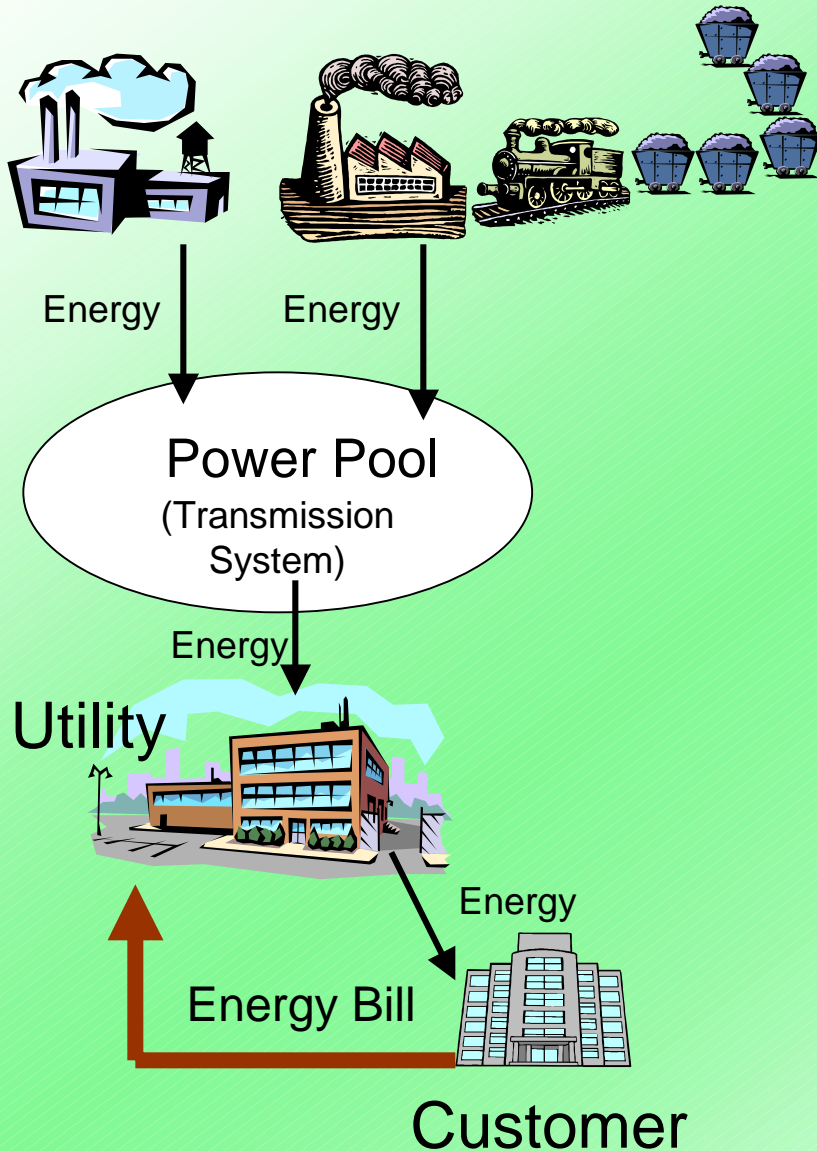
What is The Bonneville Environmental Foundation (BEF)?

- Non-profit established 1998
- Works with BPA, other suppliers to identify low-impact renewables, then market green power and Green Tags from these resources (\pm 25 aMW currently under contract).
- Reinvests green power premiums in new renewable energy projects, watershed restoration; 18 projects funded to date.

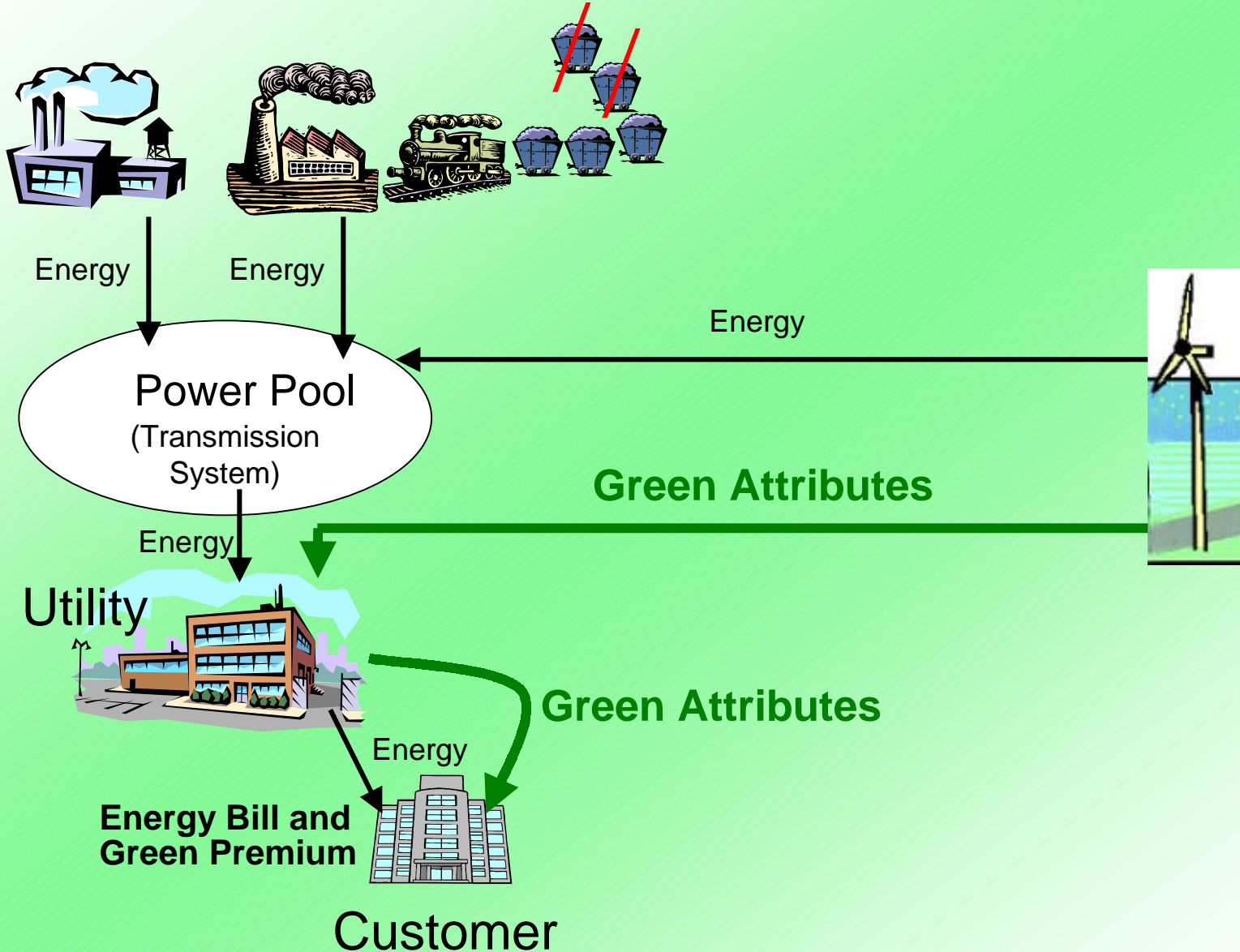
What Is a Green Tag?

- Two products produced by a renewable energy resource:
 - Electricity
 - Environmental Attributes (benefits)
- Environmental benefits can be separated from energy, sold as “green tag”
- Electricity is sold separately as “residual” energy

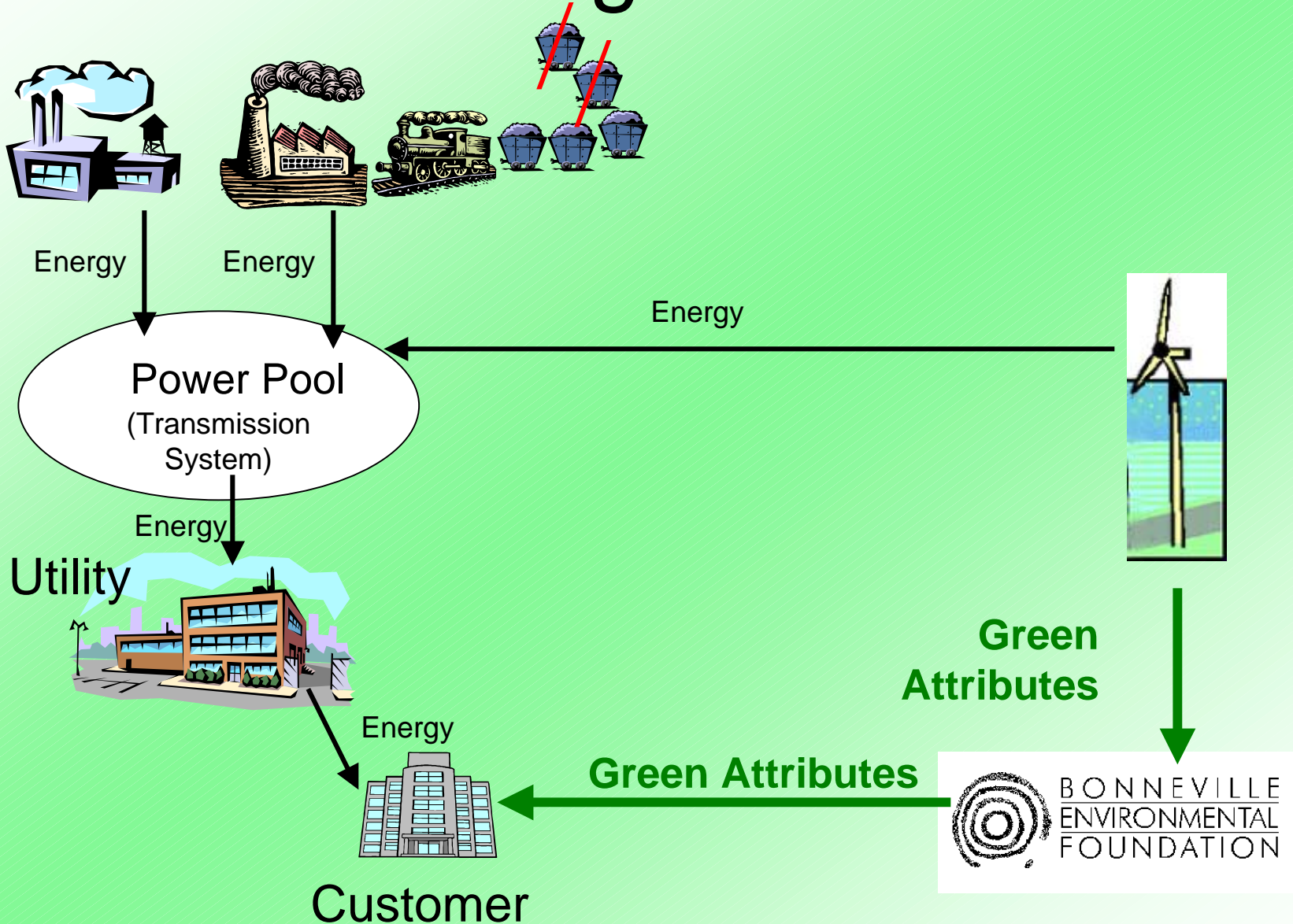
Traditional Power Transaction



Green Power Transaction



Green Tag Transaction



How Much Will it Cost?

- Green tag (premium) - 1.5¢/kWh - 2.5 ¢/kWh
- For new wind or other renewables (post 1/1/99) - Not just recycling existing renewables

Green Power Vs. Green Tag I

- Purchase from utility or power marketer
- Only available in some regions
- Multiple facilities = multiple transactions
- Purchased from BEF
- Available anywhere (regulated and unregulated markets)
- Multiple facilities = one transaction

Green Power Vs. Green Tag II

- Premium = 2-5 ¢/kWh
 - Some of green premium MAY go to new renewables
 - Energy and green attributes paid on same bill
 - Reliability and power quality do not change
- Premium = 1.1-2.2 5¢/kWh
 - BEF green tag premium DOES go to new renewables
 - Energy bill unchanged. Green premium paid to BEF
 - Reliability and power quality do not change

BEF's Green Tag Sales

- First BEF Green Tag Sale April, 2000, to EPA Region 10, Seattle
- BEF customers include federal and state governments, utilities, private companies
- BEF national sales: from Honolulu to Anchorage to Atlanta
- Next: Web Sales to Groups, Individuals

Product Integrity

- BEF Green Tags reflect new renewables
- Green Tag captures CO₂, other displaced emissions
- Contract path protects against double-counting
- BEF, other parties working on national Green Tag industry standards

Summary

- One high-profile transaction for BEF Green Tag buyer
- Environmental effect of green power, Green Tags, exactly the same
- Green tag cost savings from avoided transmission

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