





Purchasing Credits

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DESC



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Renewable Energy Certificates

- RECs are:
 - Also known as Green tags, tradable renewable certificates, etc
 - The way renewable power is delivered to customers when not generated on-site
 - A common means to meet renewable energy goals
 - Not popular in some circles
 - Going up in price



Advantages to RECs

- RECs don't recognize State boundaries
- Specific technologies can be requested (sometimes)
- Regional support (sometimes)
- Purchases can be used to stimulate new development



“Green” Power Deliveries

- Buy renewables or build renewables
 - If you build it on-site, it is what it is
 - If you buy it-
 - Direct green power purchase (% of usage)
 - Utility green power purchase (% of usage)
 - it is power + REC



Means to an End

- EO's 13123 and 13423, EPA Act 05 established renewable energy goals
- For many RECs are the only option
 - Lack space to build
 - Tenant
 - Lack funds
- Often buy for LEED certification



Not for Everyone

- Yes – EPA, NASA, USAF, DHS, DOE, Bureau of Public Debt
- Maybe – USGS, Indian Health Service, FDA, NIH, NIST, IRS
- No – Navy, Army



Not as much of a bargain

- Renewable Energy Purchasing
 - In FY06 and FY07, DESC purchased 48% and 56%, respectively, of DOD's renewable energy requirements in support of meeting EAct 05 goals
- RECs were/are a short term fix for a long term problem
 - Not everyone agrees
 - REC acquisitions have decreased as project development has increased
 - Always a premium
- Like everything else energy related the cost is going up
 - FY06 purchased 1,129,997 MWh @ average \$0.73/MWh
 - FY07 purchased 886,687 MWh @ average \$1.36/MWh
 - FY08 purchased 221,234 MWh @ average \$3.70/MWh
 - Expenditures in FY08 thus far is barely under FY06 for 1/5 quantity
- Starting FY10 there is a 5% renewable requirement where funds are scarce at 3%



Sample Pricing

- Post 1999 wind –
 - 2005– \$1.25/MWh
 - 2006 –\$2.35/MWh
 - 2007 –\$2.50/MWh
 - 2008 –\$5.50/MWh
- Paper Pulp/Black Liquor
 - 2005 - \$0.425/MWh
 - 2006 - \$0.333/MWh
 - 2007 - \$0.390/MWh
 - 2008 - \$1.190/MWh



Would you like to know more about this session?

- John Nelson
- Defense Energy Support Center
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- Don't forget to fill out and drop off your session evaluations.