

Commonwealth of Pennsylvania's Green Electricity Purchases

Jeffrey Olsen
Governor's Green Government Council
Commonwealth of Pennsylvania

Green Power Webcast
April 8, 2008

Pennsylvania's Renewable Energy Purchase

- Initial work on the 2000 contract began in 1999
- Pennsylvania was the first state in the nation to voluntarily purchase clean, renewable power as part of the total government electricity usage

Goal:

- To take a Leadership by Example approach in the Promotion of Alternative Renewable Power
- Reduce Greenhouse Gas Emissions
- Promote Energy Independence and security by Reducing Dependency on Foreign Oil
- Promote Economic Revitalization

How Much is Enough?

- Suppliers in 1999 couldn't accurately predict the amount of "Green" electricity available
- Initial contract conservatively set at 5% of total commonwealth load – approx. 50,000 MWH/yr
 - Doubled to 10% in 2004
 - Doubled to 20% in 2006
 - Currently at 28% - 277,399 MWH/yr.

Pennsylvania's Eligible Renewable Sources

Wind

Solar – Thermal and Photovoltaic

Biomass – Switch grass, Willow, Wood Waste

Hydro

Methane – Landfill, Agriculture, Coal Mine

Waste Coal – Fluidized Bed Culm to Energy

2000 Initial Green Electricity Contract

- Represented 5% of Total Electricity Load Purchased as Green Electrons
- 100% Tier 1 Renewable Electricity
 - 95% Existing Hydro
 - 5% Wind
- Average Premium 1.3 c/KWH
- Vendor: Green Mountain Energy

Current Green Electricity Contract

- 28% Total Electricity Load – 277,399 MWH's
- 100% Renewable Electricity as Energy Credits
 - 2% PA Wind
 - 55% National Wind
 - 43% Existing Hydro
- Average Premium 1.98 c/KWH
- Vendor: Community Energy

Lessons Learned

- Initially Contracted for Green Electricity
 - ❑ Matching individual facility load to suppliers statewide was an administrative nightmare
 - ❑ Contracting for Renewable Energy Credits as they became available was cheaper and easier
- Develop a Best Value Strategy that allows vendors to provide the best package at the most competitive price.

Develop a Best Value Strategy

Developed a formula for analyzing each attribute

Criteria Included:

- **Price**
- **Type of Generation**
- **Economic Impact**
 - **Location of Generation**
 - **Age of Source**
 - **Creation of Pennsylvania Jobs**

Additional Economic Benefit Realized by the Commonwealth

- Initial green energy vendor invested proceeds of contract into fledgling Pennsylvania wind power generation initiatives.
- Purchase of green electricity has strengthened the production of green energy while subsequently contributing to a broad program of economic revitalization in Pennsylvania.

Contact

Name Jeffrey Olsen
Title Agency Liaison Director
Company PA. Governor's Green Government Co.
Address 400 Market Street
City, State Zip Harrisburg, Pennsylvania 17105
Phone 717-705-0374
Fax 717-783-2703
Email jeolsen@state.pa.us
URL www.gggc.state.pa.us