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# Designing and marketing an innovative carbon offset program

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# What are carbon offsets?

- Reduction in greenhouse gas (GHG) emissions from an activity or project in one place to balance out emissions produced elsewhere
- Typical offset projects include forestry and methane recovery from dairy farms and landfills



# Why selling carbon offsets makes sense for utilities

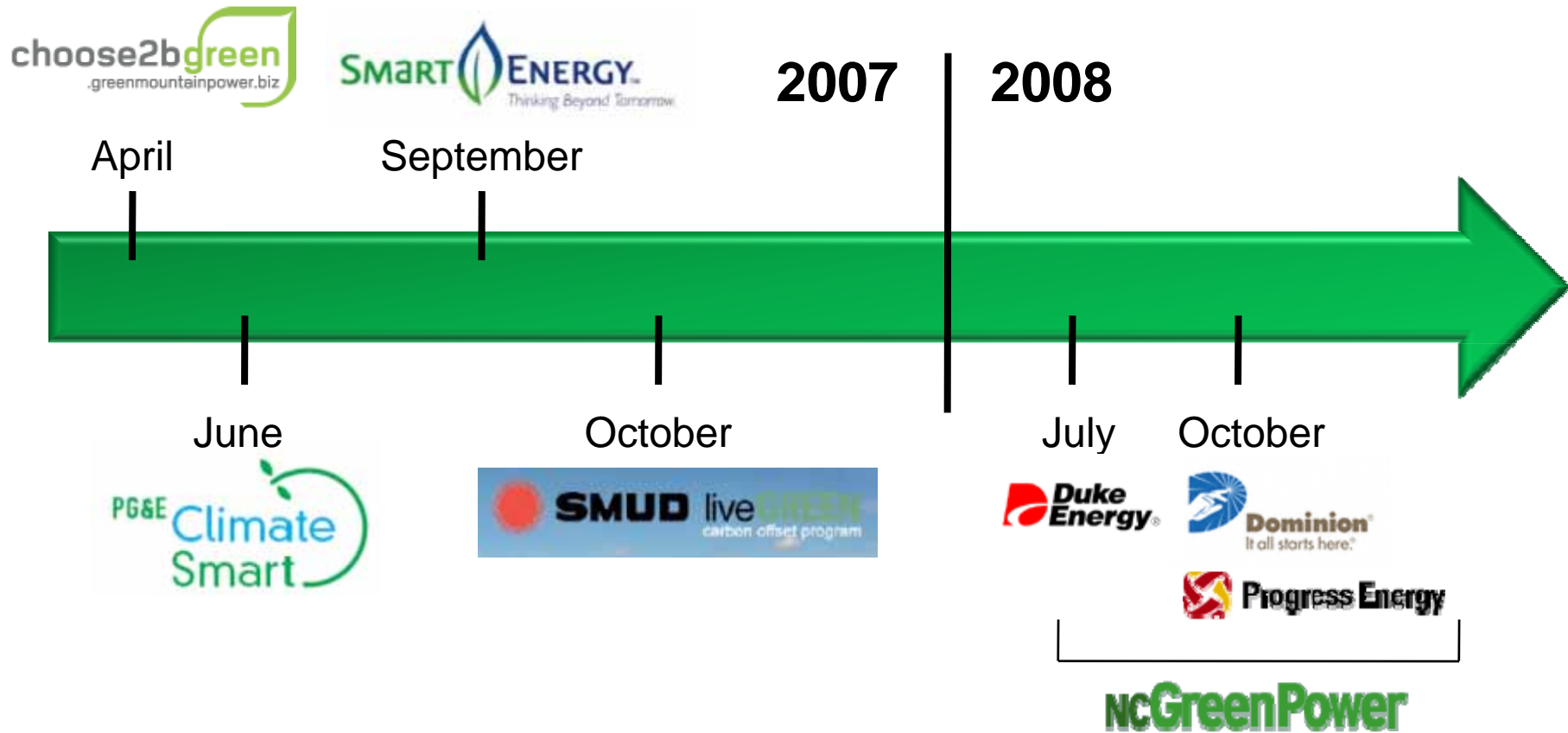
- Educate customers about energy usage and impact on climate change
- Provide another option to reduce carbon footprint
- Support local economic development
- Improve utility's environmental image
- Alternative or complement to green power program
- Reduce GHG emissions, improve local air quality



# Proceed with caution



# Utilities with carbon offset programs



# PG&E ClimateSmart™



- Developed with stakeholders
- Cost is based on usage – average less than \$5/month
- PG&E required to contract for at least 1.5 million tons of GHG emission reductions by December 31, 2009
- 100% of funds invested in projects that reduce or sequester GHG emissions
- Ratepayers support program marketing & admin costs
- Competitive bidding process to select offset projects
- Projects are independently verified, registered, and retired with the Climate Action Reserve



# PG&E ClimateSmart™ Marketing

- Message = empower people to help environment
- Link energy use, efficiency, climate change
- Web site, bill inserts, direct mailers, TV, e-newsletters, community events



Courtesy: Pacific Gas and Electric



Energy Business Intelligence

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# NW Natural Smart Energy

- First stand-alone gas company to offer offsets
- Residential customers: pay \$6/month based on average home or per therm rate based on usage
- Commercial customers: fixed rate option or offset 100% - minimum of \$10/month
- Partners with The Climate Trust to procure offset projects, monitoring & verification
- Focusing on biogas
- Funded by shareholders, Smart Energy participants, and a deferral account covered in rates



# NW Natural marketing

- Brochures, e-mail blasts, bill stuffers, billboards, buses
- Humorous and educational
- Energy efficiency first



Courtesy: NW Natural



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# Program results



- > 31,000 participants
- Participants offset more than 250,000 tons of CO<sub>2</sub> since program began
- 2008 earned media: 38 print, 15 TV/radio, 4 ethnic media stories



- > 6,200 participants = about 1% of customers
- Participants offset 14,000 tons of CO<sub>2</sub> in first year of program - equivalent of reducing gasoline use by 1.4 million gallons
- 28 positive news stories from PR launch



# Smart offset programs

- Get stakeholder buy-in
- Invest in high-quality, independently verified offset projects
- Promote energy efficiency first, renewable energy second - offsets for customers who want to do more
- Help customers understand the link among energy use, GHG emissions, and their climate impact
- Identify consumers with a strong interest in the environment and craft messages that capture attention
- Track results/Get customer feedback





# For more information

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