



# **Using Green Marketing to Build New Wind Energy Facilities**

Green Power Marketing Conference  
Washington, DC

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# The Product

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- “New Wind Energy” Supply Arrangements
- Premium product tailored to customer demand sold in MWh blocks
- Benefits of New Wind Energy Product Approach
  - Customer Preferences
  - Environmental Benefit
  - Economic Development
  - Media Attention/Visual Appeal

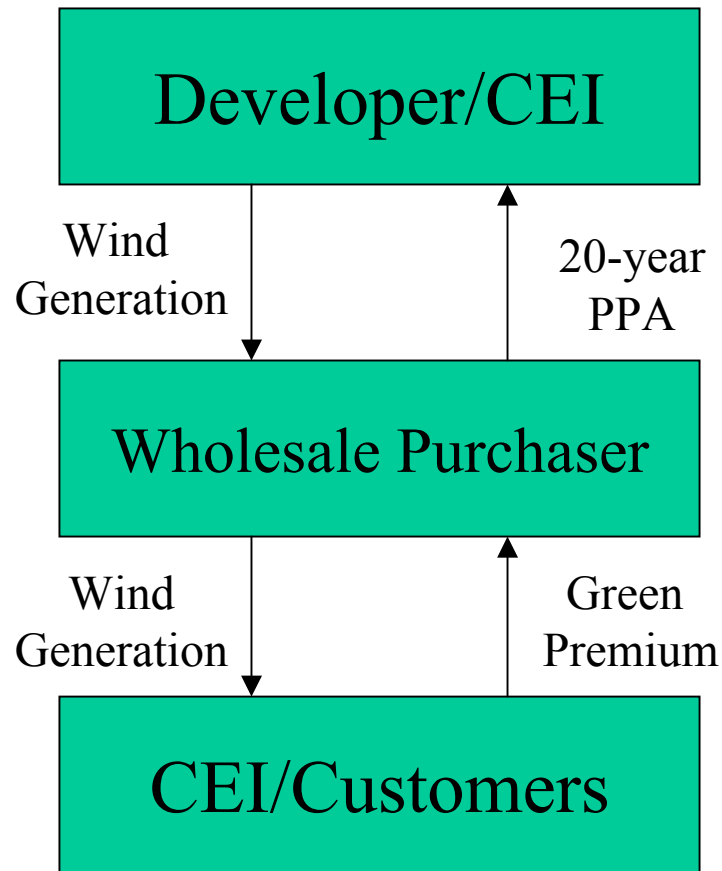
# Economics of Wind in PJM

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- Value of Wind Energy in PJM: +\$30-38/MWh
- Cost of Wind Energy in PJM: - \$40-50/MWh
- NET ECONOMIC IMPACT - \$ 2-20/MWh
  
- Green Marketing Premium +\$15-25/MWh
  
- REVISED ECONOMIC IMPACT +\$ 2-10/MWh

# Structure of the Deal

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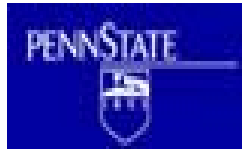


# The Customers

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University of Pennsylvania  
20,000 MWh/Year



Penn State - 17,600 MWh/Year



Commonwealth of PA  
10,000 MWh/Year



CMU - 4,778 MWh/Year



DOE/GSA - 3,100 MWh/Year



Giant Eagle 2,941 MWh/Year



Philadelphia Suburban Corporation  
1,000 MWh/Year



Cincinnati EPA - 800 MWh/Year

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# Why do Customers Pay More?

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- Community Leadership
- Tangibility
- It's the Right Thing to Do
- Public Relations
- Educational Tool



# EXELON-COMMUNITY ENERGY, INC. WIND FARMS: THE VISION REALIZED

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The 15-MW Mill Run Wind Farm  
On-Line October 2001



The 9-MW Somerset Wind Farm  
On-Line October 2001



The 60-MW Pocono Wind Farm  
On-Line November 2002



The 65-MW Backbone Wind Farm  
On-Line September 2003

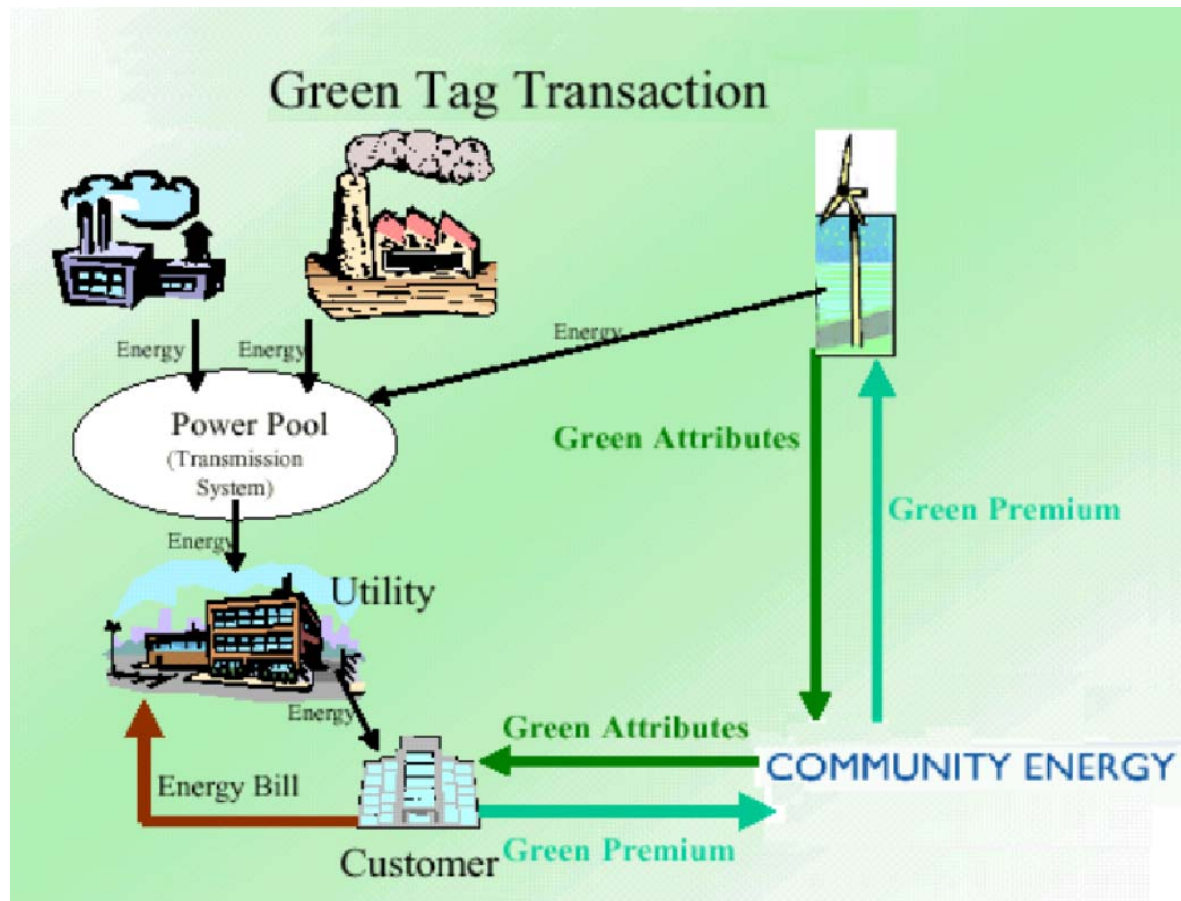
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# Role of Certificates

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- Diverse Benefits of Wind
- Economic Value of Non-Electrical Attributes
- Certificates Defined
- The Product: Delivering New Wind Energy to the Local Wholesale Grid on Behalf of the Individual Customer
- The Product II: Don't Lead with Certificates!
- The Product III: All Retail Products Rely on Certificates

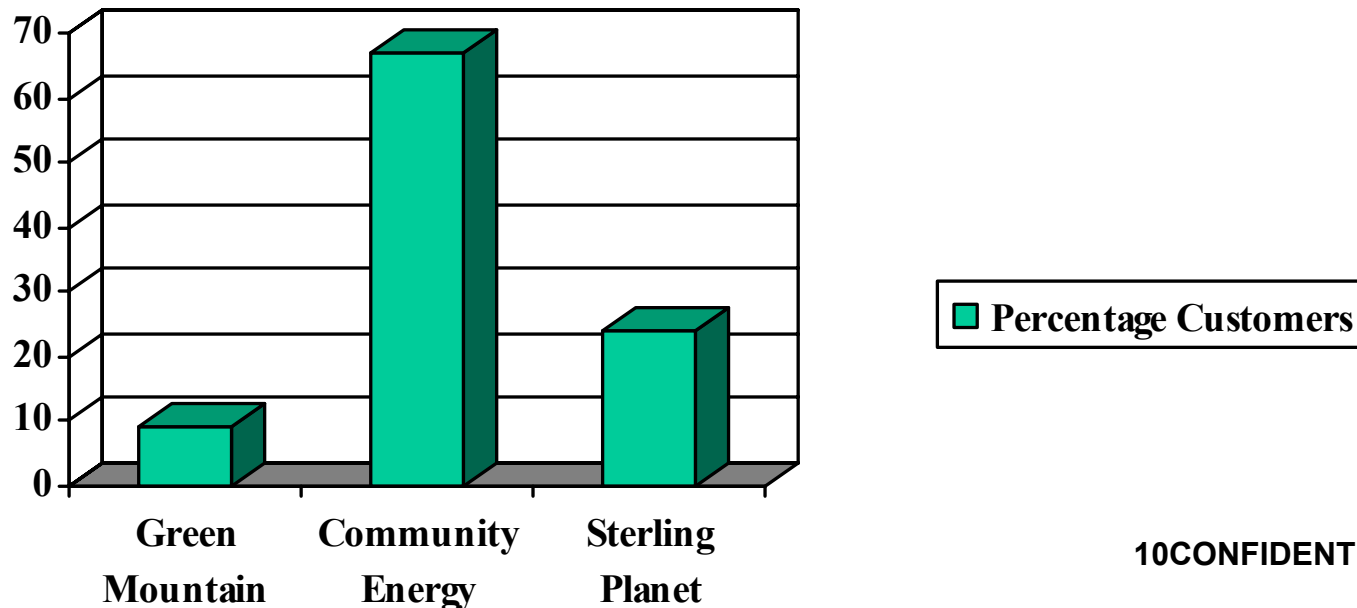
# Role of Certificates



# New York Residential Program

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- Niagara Mohawk: Very Initial Results (900 total)
  - » CEI: 50/50 Wind/Hydro; 1.3 cents/kwh, 100% only
  - » Sterling Planet: 30/20/50 Wind/Hydro/Landfill; 1.5 ; (100, 75, 50)
  - » Green Mountain: 15/85 Wind/Hydro; 1.5 cents/kwh; 100% only



# Lessons Learned: Utility Perspective

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- Ability to Profitably Start Small With a New Resource
- Builds Regulatory and Public Support Quickly
- Customer Satisfaction
- Environmental Benefit
- Economic Development
- Public Relations/Branding Identity