WGES CleanSteps® Carbon Offsets

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Agenda

- Company Introductions- Sterling Planet and WGES
- Carbon Offsets 101
- WGES CleanSteps® Carbon Offsets Product Overview
- Chesapeake Bay Foundation and the Carbon Reduction Fund
- Carbon Offsets to Counter Carbon Emissions
- Marketing Benefits of a WGES CleanSteps® Carbon Offsets Purchase
Company Introductions- WGES & Sterling Planet

Part One
Sterling Planet

- Founded in 2000, headquartered in Atlanta
- Nation’s leading retail carbon and renewable energy services provider
- 2012 & 2013 U.S. EPA Green Power Supplier of the Year
- Comprehensive product suite: RECs, carbon offsets, renewable project development
- Our aim is to grow the demand for purchases of carbon-free energy by energy consumers
- “Triple bottom line” social, environmental and economic performer
### Sterling Planet

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<th>2,314 Businesses</th>
<th>76 Colleges</th>
<th>343 Gov’t Entities</th>
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[Image showing logos of companies and organizations]
Washington Gas Energy Services (WGES)

- Most tenured green energy supplier in the Mid-Atlantic
  - Selling wind power for over 10 years
  - Launched a carbon offset product in 2010
- In 2011, the U.S. Department of Energy (DOE) named WGES the Green Power Supplier of the Year
- Recipient of a 2013 DC Mayor’s Sustainability Award
- Aggressive GHG emissions reduction goals- 70% by 2020 based off of a 2008 baseline
OUR WIND POWER PARTNERS

WGES is proud to partner with so many respected area businesses and organizations that use clean, renewable WGES CleanSteps® WindPower. To distinguish your organization with a green power purchase, please call 703-793-7678, or go to www.wges.com/commercialwind to learn more.

ADDITIONAL WIND POWER PARTNERS

- Calvary Baptist Church
- Cambridge Commons
- Capital Restaurant Holdings, Inc.
- Capital Document Solutions
- Capitol Hill Day School
- Carbon
- Calke Baker Investments
- Cambridge Commons
- Capital Restaurant Holdings, Inc.
- Capital Document Solutions
- Capitol Hill Day School
- Carbon

- The Phillips Collection
- Prince George's County Libraries
- R & L Service Center
- Regional Management, Inc.
- R.M. Schmidt, Inc.
- The Rockfish Raw Bar & Grill LLC
- Rockland Homeowners Association
- Saint-Ex Group LLC
- The Savoy Suites Hotel
- Sisters Of The Holy Cross
- Society of the Cincinnati
- State of Delaware
- State of Maryland
WGES/Sterling Planet Partnership

• Partnership launched in 2010
• WGES offers locally-sourced WGES CleanSteps® Carbon Offsets matched to any portion of a customer’s natural gas usage or to offset the environmental impact of other business activities
• Sterling Planet secures the local carbon offsets needed to support the WGES CleanSteps® Carbon Offsets product
• When offsets are purchased, WGES and Sterling Planet contribute to the Carbon Reduction Fund, which supports Chesapeake Bay Foundation (CBF) involvement in local environmental projects to reduce greenhouse gases and improve water quality
Carbon Offsets 101

Part two
• Represents a greenhouse gas emission reduction made in one place to compensate for emissions created in another
• One “offset” represents the reduction of greenhouse gases equivalent to one metric ton of carbon dioxide (CO2e)
Offset purchases reduce or neutralize your carbon footprint, typically after emission reduction methods are in place.
Carbon Offsets 101 – Why Buy?

Pricing of Carbon Offsets is driven by mandate markets –
⇒ 17,998,687 CO2 allowances sold at Sept.‘14 auction @ $4.88

Key Question - Above what threshold is it economically viable to register and sell a project’s offsets?
• Monitoring Costs
• Verification/Registration Fees
• Project Development brokerage
• Offsets tracking delivery structure & fees
WGES CleanSteps Carbon Offsets

- First of its kind initiative
- Developed as a way to offer residential and business customers in MD, DC, VA and PA an easy way to green their natural gas usage
- Matches independently verified, regionally-created carbon offsets to natural gas use
- Independent third party engineers verify the offsets, and each offset is tracked in an online registry
WGES CleanSteps® Carbon Offsets

• Offsets sourced from transportation and waste management projects
• Automatic inclusion of 5% from Chesapeake Bay projects in all of our standard gas supply residential contracts (3.5% small commercial)
• Residents- High offset option (100%)
• Businesses- offset only or as a % of natural gas use
• More than 109,000 carbon offsets have been purchased by WGES customers since 2010
WGES CleanSteps® Carbon Offsets - Overview

• Goal is to improve air and water quality in the Chesapeake Bay Watershed

• Sourced 100% in the Chesapeake Bay Region
  – Other offsets can be national or even international

• Added Value: WGES carbon offsets fund new projects — such as tree plantings along rivers and streams that flow into the Chesapeake Bay — that are managed by the Chesapeake Bay Foundation
  – Others provide offsets without any added new project benefits or innovative partnerships
The Carbon Reduction Fund and the Chesapeake Bay Foundation

Part four
Carbon Reduction Fund

- WGES CleanSteps Carbon Offsets features a reinvestment component to develop new local sources of carbon offsets
- Carbon Reduction Fund (CRF) managed by the Chesapeake Bay Foundation
Carbon Reduction Fund

$500,000
In contributions to the Carbon Reduction Fund to date

9,000 acres
Of trees planted on 45 acres in several counties in Maryland
Carbon Offsets to Counter Carbon Emissions

Part five
Commercial purchasers are a major share of the voluntary market.
Carbon Offsets to Counter Carbon Emissions

• Commercial, federal, and non-profit customers can purchase any amount of carbon offsets to help meet emission reduction and carbon neutrality goals
  • Northern Virginia Community College offsets 100% of their natural gas usage with WGES CleanSteps Carbon Offsets
  • Many Fortune 100 corporations, banks, hotels and sustainable-focused businesses
• Organizations can counterbalance the environmental impact of a conference, travel and hotel stays
  • RAE Summit
  • Professional Sports Teams
Marketing Benefits of a WGES CleanSteps® Carbon Offsets Purchase

Part six
Marketing Benefits of a CleanSteps Carbon Offsets Purchase

- Position your organization as an environmental leader
- Demonstrate your commitment to improving air quality and reducing carbon emissions
- Strengthen your brand
- Environmental responsibility will attract members, customers and top candidates
- Matching every 100,000 therms of natural gas your institution uses with carbon offsets has the environmental benefit equivalent to taking more than 100 cars off the road for one year
Marketing Benefits of a CleanSteps Carbon Offsets Purchase

www.WGES.com/CommercialOffsets

• WGES provides an electronic suite of marketing tools, including signage, banners, window decals, logos and customizable press materials to promote your environmental commitment
Questions/Contact

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