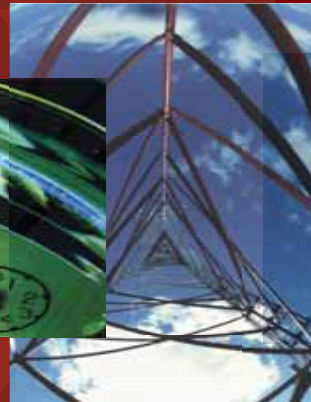


# *Energy & Resources Team*

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Rocky Mountain Institute

a think and do tank™

***“RMI’s far-sighted thinking on energy technology is always challenging and occasionally inspired.... They bring Shell people face to face with both the environmental and financial savings possible through eco-efficiency.”***

**— Mark Weintraub, Head of Sustainable Development Strategy, Policy & Reporting, Royal Dutch/Shell**

Energy suppliers and users today face challenges that are redefining the industry. Higher energy prices, increased environmental awareness, tougher regulations, and intense global competition for products and services call for innovative solutions that turn your growing economic and environmental pressures into sources of competitive advantage.

For more than two decades, the world’s leading energy providers and users, including utilities, product manufacturers, technology developers,

and local, state, and national governments, have turned to RMI for guidance. Our comprehensive, integrative, objective approach examines and addresses the complete set of dynamics in the rapidly changing energy marketplace.

This broad perspective, coupled with a depth of expertise, enables us to devise tailored strategies that can position your organization for a more secure, profitable, and environmentally constructive future.

## ***Thriving in an Uncertain World***

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RMI’s Energy & Resources Team advises clients how to avoid capital and energy costs, manage risks, increase revenues by deploying new technologies, and respond to new market opportunities. Experts in the full spectrum

of energy technology, markets, and policy, we show how to plan for profitability while making evolving environmental regulations burdensome only to your competitors.

## ***Energy and Resource Planning***

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We provide an integrated suite of solutions that fit within your current business structure. These services are analytical and practical, and include energy efficiency, demand response, and distributed energy strategies.

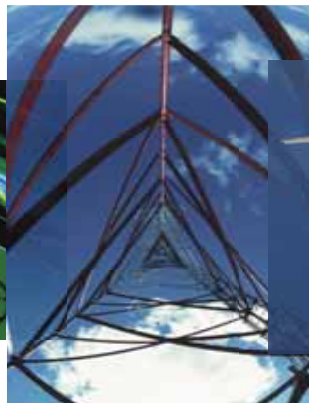
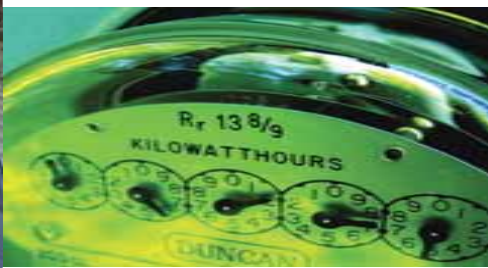
We help our clients understand how distributed and renewable resources can provide quantifiable

benefits to reduce financial risk, enhance electric grid economics, and decrease carbon emissions.

We show clients how to optimize energy reliability through demand response, load management, and other methods that improve service quality and can dramatically cut electricity costs.

***“With the help of RMI, BC Hydro conducted an internal workshop on ‘Vancouver Island’s Energy Future.’ ...I was very impressed with how the day went and believe the results will help us move forward with our Integrated Electricity Plan.”***

**—Larry Bell, Chairman, BC Hydro**



***“It’s really important that RMI exists as a non-partisan organization to help the country deal with these issues because so much legislation, whether at the state or national level, has become so heavily politicized. This is one issue that I feel needs to get out of that arena if we’re going to be successful in breaking the country and our state’s addiction to oil. We’ve been pretty successful getting bipartisan success for this bill and I believe having RMI involved was a big part.”***

—Governor Linda Lingle, R-Hawai‘i

## ***Greenhouse Gas Management***

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The climate is changing—not just the earth’s temperature, but the business climate as well. Industries are facing mandatory limits on emissions of carbon dioxide and other greenhouse gases (GHG), and companies must prepare for inevitable regulation and carbon market trading. Success requires new thinking and new capabilities.

At RMI, the best solutions for environmental problems come with economic advantages. We show our clients how the right approach to the emerging carbon market and emissions reduction strategies can be profitable and a competitive differentiator. The process we use for analysis, screening, and economic prioritization of reduction

measures will lead systematically to financial strategies and implementation plans that will cost-effectively reduce GHG emissions.

Our client-tailored portfolios focus first on implementing direct emissions reductions, including profitable efficiency improvements and alternative energy sources to help our clients further reduce both emissions and energy costs. We also recommend carbon offset investments offering the best economic performance and risk, regulatory compliance and applicability to the Kyoto Protocol, verifiable environmental benefits, and positive social impacts.

## ***A Voice with Power***

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RMI has been instrumental in shaping the world’s energy landscape by serving as an objective and influential voice in the electricity and fuels industries. Our thought leadership includes pathfinding research on oil independence, renewable energy technologies,

distributed energy, and resource planning. Our innovations have profoundly influenced the energy sector, helped corporations to change how they do business, and pushed governments to adopt key enabling policy reforms.

# Energy Strategy

**WINNING THE OIL ENDGAME.** For the Office of the Secretary of Defense, RMI published a comprehensive strategy for getting the United States completely—and profitably—off oil. This study has broadly influenced global business strategies as well as the evolution of federal and state policies.

**CITY OF SAN FRANCISCO PUBLIC UTILITIES COMMISSION.** RMI developed an Energy Resource Investment Strategy for the City. RMI developed a technology assessment and scenario analysis of alternative electricity futures, then prioritized the investments (in

energy efficiency, demand response, renewable energy, distributed generation, and transmission and distribution solutions) and created a resource plan to meet the City's needs for reliable, economic power. The plan was adopted and is being implemented.

**ENERGY STRATEGY FOR LEADING RESOURCE COMPANIES.** In a series of confidential assignments for the boards and senior management of some of the world's largest oil and natural resource companies, RMI provided a strategic overview of energy trends and implications for the core oil, gas, and coal businesses.

## Efficiency and Distributed Resources

**CITY OF PALO ALTO UTILITIES (CPAU).** RMI helped CPAU implement energy resource and portfolio planning. RMI reviewed the current electric resource plan, designed economic criteria for efficiency programs, prioritized efficiency program strategies, and evaluated the potential for local energy resources. These options included energy efficiency, renewable sources, distributed co-generation, and conventional generation. RMI helped to integrate supply- and demand-side options into risk-managed, least-cost portfolios with a high intensity of renewable resources.

**SOUTHERN CALIFORNIA EDISON, SAN DIEGO GAS & ELECTRIC, PACIFIC GAS AND ELECTRIC, AND INVENSYS INTELLIGENT HOME CONTROLS.** RMI was a key part of a multi-year, multi-utility effort to pilot the Automated Demand Response System (ADRS), a residential price response program in California using advanced load-management technology. RMI measured the performance of the ADRS technology in 175 houses against two control population samples, and evaluated the economics of the system under a variety of technical, economic, and regulatory scenarios.

## Greenhouse Gas Emissions Management

**GOOGLE.** RMI helped this technology leader address its GHG emissions. RMI evaluated emissions sources and recommended offset methods. The firm's initial offset purchase corresponds to eight years' worth of emissions from specific operational carbon sources. RMI's long-term guidance included investments in direct emissions reductions, such as carbon-free energy sources and improved end-use energy efficiency.

**SACRAMENTO MUNICIPAL UTILITY DISTRICT (SMUD).** RMI helped SMUD identify its risk exposure based on its GHG emissions. RMI then developed a GHG management strategy that will allow SMUD to minimize its exposure to future physical and regulatory risks in California and position itself for possible future financial benefits. These options focused heavily on distributed resources in the

SMUD service territory that would enhance SMUD's Integrated Resource Plan.

**CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC).** RMI developed an approach for defining the future value of offsetting GHG emissions as part of the California PUC's avoided cost methodology for DSM programs. This valuation was defined as future cost values (albeit uncertain), rather than externalities, and was accepted as such by the CPUC. In an April 2005 decision, the CPUC adopted the values suggested by this method for long-term utility resource planning and procurement decisions, and two other western states have since adopted GHG cost "adders" based on these same values.

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Rocky Mountain Institute (RMI) is an independent, entrepreneurial, nonprofit organization. We foster the efficient and restorative use of resources to make the world secure, just, prosperous, and life-sustaining.