

Green Power Purchasing at Steelcase

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The Steelcase logo consists of a solid green square. Inside the square, the word "Steelcase" is written in a white, sans-serif font. The letter "S" is slightly larger and more prominent than the other letters.

Steelcase

When did we start buying green power? Why?

- Before the year 2000
- Initially, landfill gas RECs
- To support our founding membership in EPA's Green Power Partnership program (2001)
- To support our product sustainability certifications
- Steelcase already operated on-site heat recovery systems and was researching the viability of on-site green power generation

Our goals for green power purchasing...

We sought a solution that would support the growth of renewable energy and other internal goals by...

- Using the electricity associated with the green power we purchased.
- Purchasing clean green power.
- Purchasing enough green power to cover at least 20% of our U.S. electricity usage.
- Purchasing certified green power that would support our product sustainability certifications.

“Use” of Green Power

- We discovered that on-site generation – the only way to truly use the green power we would invest in and generate - was financially unrealistic.
- Then, we struggled with the concept of RECs; we still wanted to directly use the electricity associated with our green power purchase and we needed to be comfortable that our purchase would help the environment.
- We realized that if we bought green power from our local utility, we would only be using ~5% electricity generated from renewable sources. We also compared the price of utility RECs in our area to non-utility RECs and the utility RECs cost more than twice as much.

“Use” of Green Power

- We realized that purchasing RECs would indeed spur the growth of renewable energy in the U.S. whether purchased through utility or non-utility sources, so we were no longer struggling with the role of RECs.
- We compromised on our desire to directly “use” the electricity associated with our green power purchase but did not compromise on our plan to purchase it in the form of Green-certified RECs.

“Clean” Green Power

- We wanted to move away from buying RECs from landfill gas sources.
- We investigated buying RECs from 100% wind or 100% solar projects.
- We soon discovered that wind RECs were more expensive than landfill gas RECs but less expensive than solar RECs.

“At least 20%” Green Power...

- We wanted to show our commitment to green power by becoming eligible for EPA’s Green Power Leadership Club so we looked for REC purchase opportunities equal to at least 20% of our U.S. electricity use.
- We also estimated we would need a substantial quantity of RECs to support our product sustainability certifications, so we had an immediate use for them beyond our desire to support the growth of renewable energy.

What did we end up with?

A clean, green power purchase in the form of Green-e certified wind RECs representing 20% of our U.S. electricity usage from a single large scale U.S. wind farm for which we were granted the naming rights.

Wege Wind Energy Farm, provided by Steelcase

A photograph of a wind farm. Several large white wind turbines are visible on a grassy hill. The sky is blue with scattered white clouds. The text is overlaid on the image.

On this wind farm, eight turbines standing 243 feet high produce enough power for nearly 3,000 homes in the Panhandle area, avoiding over 61 million pounds of carbon dioxide generation per year from a similar-sized fossil fuel power generating facility.

Steelcase has committed to buying all of the green power from the wind farm for at least its first five years of production.



What was the process for this project?

- The Texas landowner contacted the developer, John Deere Renewables, and worked as co-developer.
- John Deere arranged to sell the electricity to the local utility company. To sell the RECs, it turned to Renewable Choice Energy, a renewable energy marketer, or retailer.
- Renewable Choice consulted with John Deere and identified the Texas Panhandle project as ideal for a corporate sponsor partnership.



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JOHN DEERE

Renewable Choice was looking for a Corporate Sponsor; Steelcase fit the profile.

The desired profile for the right sponsor:

- an organization with a long-term commitment to sustainability.
- past experience in purchasing renewable energy through RECs.
- the vision to innovate through a new model.



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JOHN DEERE

Steelcase was looking for the right Green Power Project -- and Renewable Choice Energy and John Deere had a project that fit that Profile!

...Green power in the form of Green-e certified wind RECs in a quantity equal to at least 20% of Steelcase's U.S. electricity usage – with a **bonus...**



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JOHN DEERE

How did we hear about Corporate Sponsorship and the opportunity to obtain naming rights?

- This opportunity came to us through Renewable Choice Energy.
- To help wind developers earn additional revenue, sponsorship rights to the wind farm were sold, yielding additional value for both the developer and the REC buyer. Sponsorship made this wind farm financially feasible.



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JOHN DEERE

What was unique about our project?

- Long-term commitment in the financing stage, making the project financially viable for the developer.
- First large-scale wind farm in the U.S. for which the sponsorship and naming rights were provided along with the RECs.
- Ties our REC purchase to a specific green power project, making it more tangible for employees, customers, and other stakeholders.



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What were some of the other benefits of our project?

- We were able to honor a former board member, Peter Wege, an environmental pioneer who has long supported Steelcase's environmental efforts, through our name for the wind farm.
- Because our wind farm is a distributed generation project, we were supporting more efficient electricity generation / distribution than typical renewable energy projects connected to the grid.



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Lessons learned

- Need to be comfortable with the purchase of green power in the form of RECs. Don't do it unless you believe in the benefit of RECs and can explain it clearly to others, whether that's management, customers, friends, etc.
- Understanding the difference between purchasing green power and using the electricity associated with your green power purchase, particularly if your key desire is to use electricity that was generated entirely from renewable sources.

And on a lighter note, in March 2008...

...just after we finalized our commitments with Renewable Choice Energy and John Deere and were creating a summary of the project, our Brand Communications Manager sent this note:

“As you all know, the photographer is on his way back from Texas with a few pictures of the new wind farm. Because you are all so close to the project, I thought I’d share some advanced pictures of the site visit. Enjoy the attached. I think we should all be very proud...”

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A large white wind turbine stands prominently in the center-left foreground, its three blades extending outwards. To its left, another similar turbine is visible. In the distance, a line of smaller wind turbines stretches across the horizon. The ground is a flat, golden-brown field, likely a harvested crop field. The sky is a vibrant blue, filled with soft, white, scattered clouds. The overall scene is bright and clear, suggesting a sunny day.

Thank you.