

## Overview

### ▲ Introduction

### ▲ The Process of Purchasing Power

#### ◆ Deregulated

- California and Pennsylvania
- New York

#### ◆ Regulated

- Colorado
- Sacramento Municipal Utility District

### ▲ Lessons Learned

## **Introductions**

### **▲ My Story**

### **▲ Kinko's Story**

- ◆ Company History
- ◆ Company Philosophy
- ◆ Environmental Vision Statement
- ◆ The Numbers
- ◆ IPO

**▲ Background**

- ◆ Over 95% of our stores open 24 hrs/day 7 days/wk
- ◆ Demand >260 million kWh of electricity/yr. (>\$20M/yr)
  - 30% lights
  - 30% Heating/AC
  - 40% Equipment
- ◆ Currently ~9% renewable. Goal to increase by 5 to 10% per year
- ◆ Energy efficient lighting systems
- ◆ Company/Philosophy/Environmental Vision Statement
  - "...care for our environment..."
  - "Use energy-efficient technologies and renewable energy sources"

## **Power Purchase in Deregulated Market - CA**

### **▲ Engage the Purchasing Department**

- ◆ No one owned this
- ◆ Lack of knowledge or desire to address this

### **▲ The Goal**

- ◆ Buy renewable energy with NO price premium
- ◆ Develop customer and co-worker goodwill

## The Process of Purchasing Power

### ▲ The Problems

- ◆ Very unstable market/offerings
- ◆ We had never done this before
- ◆ Had little or no information
  - Account Numbers
  - Demand Class
  - Number of meters

## The Process of Purchase Power

### ▲ The Solution

- ◆ Get Educated
  - Interview energy providers
  - Free services
- ◆ Leverage Kinko's brand with Energy Providers
- ◆ Leverage internal customer base
  - Referral Program for co-workers, friends and family members

## The Process of Purchase Power

### ▲ The Process (16 months)

- ◆ Issued RFP
  - Renewable energy
  - Meter upgrades
  - Consolidated billing
- ◆ Generally responses were poor
- ◆ Short listed, interviewed and selected
- ◆ Signed LOI
- ◆ Contract never signed

## **The Process of Purchase Power**

### **▲ The Process (16 months)**

- ◆ Received unsolicited offer
  - Again many points of negotiation
  - Removed metering and consolidated billing
- ◆ Agreement signed September 1999

## The Results

### ▲ What did we Purchase

- ◆ 100% renewable where demand is < 50kW
  - Approximately 75 branch in CA (35-40% of demand)
  - No more than 22,000 MWh/yr.
  - Green-e Certified
- ◆ Eleven (11) branches in PA converted to non-fossil - 50%
- ◆ Co-worker Referral Program
  - Co-workers can participate
  - Co-branding opportunities
- ◆ Public Relation benefits were minimal

## **Power Purchase in Deregulated Market - NY**

### **▲ Most Creative Arrangement to date**

- ◆ Established relationship directly with Generator
- ◆ Power from 11.5 MW wind farm in Madison, NY
- ◆ Purchase *Pure Wind*<sup>TM</sup> certificate representing environmental attributes of 1MWh
- ◆ Offset costs by sacrificing realized rate roll backs

**▲ To Purchase up to 50% of New York demand**

**▲ Letter of Intent signed in June 2000**

**▲ Public Relations Benefits - TBD**

## **Regulated Market**

### **▲ Wind in Colorado**

- ◆ Proposition: 20% Wind
- ◆ 23 branches representing 540,000 kWh/month
- ◆ GO/NO GO given to local management ~ \$146/Mo. hit
- ◆ Five (5) branches said GO
- ◆ Public relations very positive

### **▲ SMUD**

- ◆ Proposition: 50% renewable
- ◆ Seven (7) branches representing 168,000 kWh/month
- ◆ GO/NO GO given to local management ~ \$109/Mo hit
- ◆ All NO GO's. Try to budget in 2001

## Lessons Learned

- ▲ **Be a “Change Agent”**
- ▲ **Proceed with Caution, but do proceed**
  - ◆ Prepare a specification, but keep it simple
- ▲ **Consolidate your data and your demand**
- ▲ **Get creative to offset the Pain of the Price**
  - ◆ Referral programs
  - ◆ Finding savings to pay for premiums
  - ◆ Co-branding opportunities
  - ◆ Suppliers need to provide tangible benefits.