

## **Frequently Asked Questions – GreenWay**

### **What is green power?**

Green power is electricity produced using renewable energy sources such as wind, solar, or geothermal. Green power is also produced using biomass such as wood chips or decaying farm byproducts to burn directly as fuel for an electric generating plant, or indirectly to first produce methane which is then burned and converted to electricity. Green power is another option among coal, oil or natural gas, to produce power.

### **Where does the green power for your program come from?**

There are electric generating plants which qualify as green power sources all across the U.S., including the Western states. We can't say specifically the source of our green power because our green power option is bought and sold through certificates ("green tags") which avoid the costly, sometimes impossible task of transmitting the green power from its source to the buyer. Since the power physically entering a home or business is generally a mix from all plants, "green" and "nongreen," connected to the grid, the "green tag" mechanism is efficient and puts more money towards green power development.

### **What type of facility produces the green power you offer?**

Currently most green power comes from wind turbines. Since the price for green tags is based on supply versus demand, wind offers the lowest-priced green power option and has the volume to meet demand.

### **Why is Moon Lake Electric offering a green power option?**

Cooperatives, like Moon Lake Electric, are owned by the customers they serve. When customers want a product or service, cooperatives work to provide it. Some customers may be interested and, as a result, we are providing this as an option.

### **Will the green power option result in all power customers supporting the program?**

No. The program will be supported only by customers who choose to participate. Any additional costs associated with the program will be recouped through the prices charged for the green option.

### **Why does green power cost more?**

In general the nationwide power industry has been built using technology that provides power at the lowest cost, while meeting all laws and regulations. The technologies used by green power producers offer certain environmental advantages, but are generally not cost-competitive with non-green technology. Green power technology is getting more cost effective and as technology improves and the industry benefits from economies of scale the costs for green power have been falling.

### **Why do some utilities charge different prices for green power?**

Several conditions affect green power pricing. Different power production methods need equipment with different costs necessary to put them into operation. For example, power from solar cells is much more costly than power produced by wind turbines.

Also, different sales programs have been in place longer than others. Older sales programs may have had time to pay off the startup costs and make lower rates possible, while other sales programs are in the early phases where startup costs are included as part of the rate.

Additionally, some large volume customers may have lower rates for green power because the costs to serve that type of customer are spread over the larger amount of power purchased.

### **Why are you requiring participants to stay in the program for a year?**

This is a new program and it is hard to estimate how much interest to expect. Since we will be purchasing green certificates to match customer demand, we need to minimize fluctuations until we have more experience. That will prevent us from purchasing green certificates and then having cancellations that could leave us more inventory than we can sell.

**Why doesn't Moon Lake Electric build its own wind power facility?**

There are several reasons, but perhaps the most important is cost. As with many industrial projects, larger projects can produce products at lower costs and the same is true for wind energy. For Moon Lake Electric and its power supplier, Deseret Power, to bring the price of green power to a competitive range would require the construction of a very large facility that would provide more power than needed (for our green customers) and require the surplus to be sold on the market at a loss. However, Moon Lake Electric can help its members support more cost-effective wind development through a green power program by purchasing green certificates that permit a green program that's more scaled to the number of co-op members who will sign up. Green certificates allow Moon Lake Electric to buy a fraction of the output of large scale developments that just meets the demand of its customers for green power.

**If I buy a 100% green power option can I say that all my power comes from renewable sources?**

Yes, but remember that the power physically delivered to your home or business is always a combination of power from all generators connected to the electrical grid. Even though that physical power is a blend, somewhere on the Western power grid an exact amount of power equal to your usage is being produced by a renewable power producer. The premium you pay is supporting that green power production.