

SNHU Goes Carbon-Neutral

Saturday, May 19, 2007

SNHU Communications Office

Southern New Hampshire University is the first carbon-neutral university campus in New Hampshire, President Paul LeBlanc announced at the university's graduation ceremony Saturday.

While there has been much discussion about the need to invest in renewable energy, Southern New Hampshire University is acting today with a cutting-edge finance plan for its energy consumption. The university has entered into a renewable energy hedge with PPM Energy. The unique agreement enables the university to stabilize its energy prices for 15 years, offset all its carbon production and invest in other carbon-offsetting technology.

"From an environmental perspective, becoming a carbon-neutral campus is a substantial and dramatic illustration of the university's commitment to sustainability," LeBlanc said before Commencement. "From a business perspective, we lock in our energy costs for the next 15 years. The projected savings may be substantial. From a community perspective, we are being innovative by adapting a sophisticated but well established financial tool to the relationship of renewable energy providers and consumers. This is a triple win."

SNHU also is launching a green initiative with EARTH University in Costa Rica. It calls for both universities to become carbon-neutral within two years, share research, promote faculty collaboration, host an annual conference and exchange faculty. In addition, LeBlanc has signed the American College & University Presidents Climate Change Commitment, an effort by leaders of higher education institutions to address global warming.

A renewable energy hedge is a financial agreement entered into by a renewable energy generator and a power customer that includes the sale of renewable energy credits and is intended to protect both against price volatility. It can be compared to a long-term fixed-rate mortgage in that payments by the power customer remain at the same agreed-upon rate over a period of time. The university's renewable energy hedge contract guarantees a fixed price for 15 years for the 15 million kWh of electricity it will use annually, including the estimated power use of buildings that will be constructed in the next two years. If the cost of power increases over the next 15 years, that would translate into an average savings of \$1.2 million per year for electricity and natural gas. If energy costs follow a future high-price scenario, savings are projected to average \$2.6 million per year over the next 15 years for electricity and natural gas.

As part of the agreement, the university also will receive 17,500 renewable energy credits per year, which translates into 13,125 tons of carbon dioxide per year – the combined annual carbon output of more than 2,100 cars, according to U.S. Environmental Protection Agency calculations. The credits will be used to offset the 11,400 tons of carbon dioxide the university is projected to use per year. The university will use the remaining credits to invest in carbon-offsetting projects that have not yet been determined. The

renewable energy hedge will be settled at one of PPM's renewable energy sites and the renewable energy credits will come from PPM's national portfolio of renewable energy projects, which could include wind, solar, geothermal or other renewable sources. Under the agreement, the university will continue to obtain its electricity and natural gas from its current traditional sources.

While other universities have entered into REC-purchasing agreements to offset carbon output or price hedge agreements to stabilize prices, SNHU is doing both.

"This unique arrangement between PPM Energy and Southern New Hampshire University helps the university control its energy costs while encouraging the development of more clean, renewable power all across the country," said Reed Armstrong, senior director of renewable energy marketing for PPM.

The announcements come as the latest in a stepped-up effort by the university to become a "green campus." Three years ago, students drove a campus wide recycling initiative. The university also is planning two new green buildings, including a LEEDS-certified academic building. And, the president's university vehicle is a hybrid. The university also will host an educational seminar on hedges on July 19.

As LeBlanc said, "We have a lot more work to do with conservation and the retrofitting of older buildings, but climate change looms as the single most important challenge facing this next generation of students. We want to both educate and model innovative solutions."

Please contact Michelle Dunn at me.dunn@snhu.edu or 603.629.4662 or Gregg Mazzola at g.mazzola@snhu.edu or 603.629.4649 for more information.