

Next Generation Carbon-Free Electricity Procurement ("NextGen") Initiative

Presentation for PJM Clean
Attribute Senior Task Force



CEBI
CLEAN ENERGY
BUYERS INSTITUTE

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Our ambition: Achieve a 90% carbon-free U.S. electric system & cultivate global community of energy customers driving clean energy

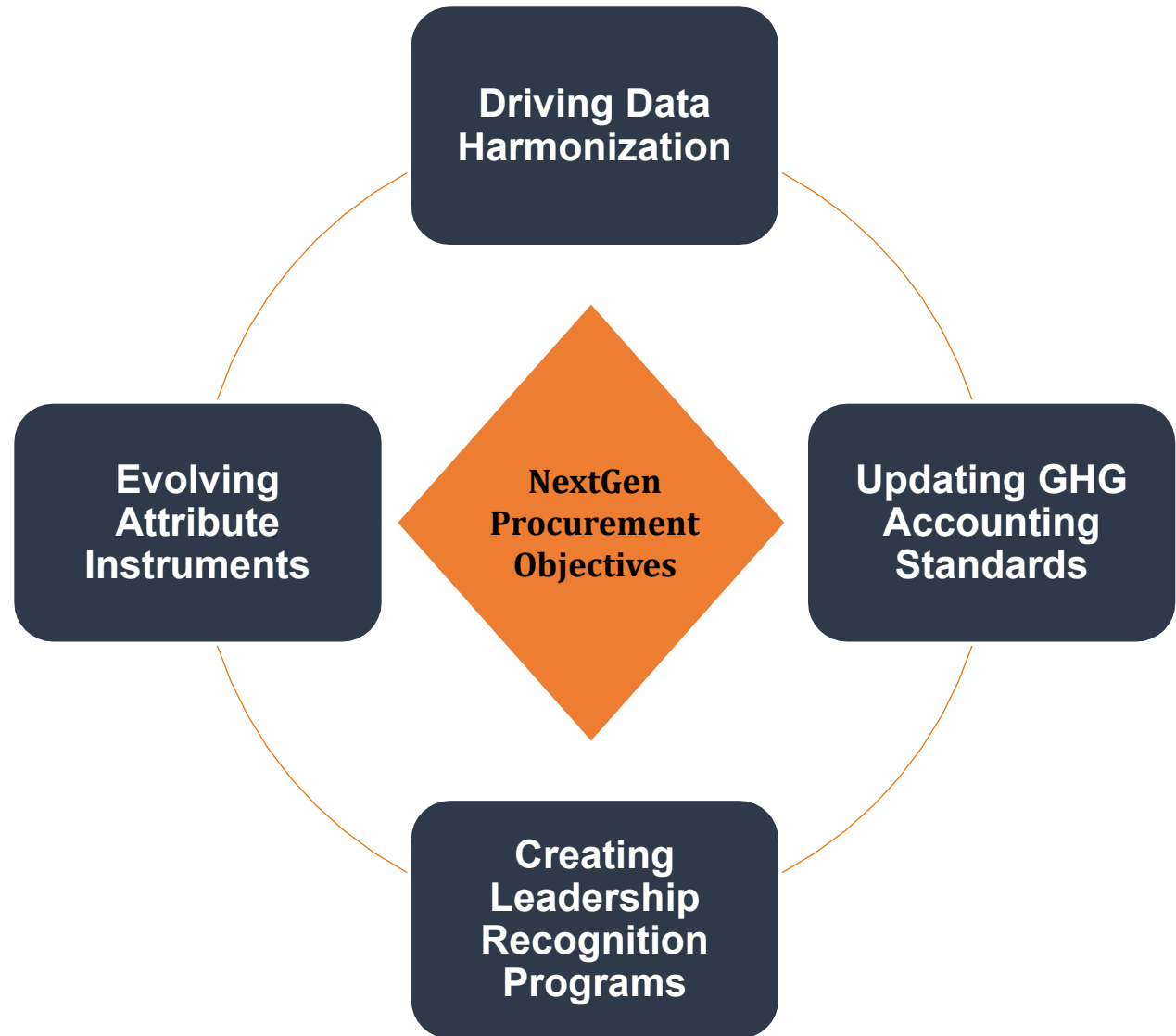


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Introduction to NextGen Initiative

This initiative aims to expand the suite of carbon-free procurement options to **enable energy customers to maximize their decarbonization impact** by:



The current system incentivizes specific types of procurement and resulting impacts

First-Generation Energy Customer Procurement Objective

First generation options incentivize companies to...

Procure renewable electricity to match their historical load on an annual basis.

CEBI is working to evolve the current system to activate a broader suite of CFE procurement options

What does the **current system** of data, attribute instruments, GHG accounting, and leadership recognition programs look like?

What are **current, first-generation** customer objectives?







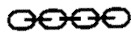



What are **emerging, next-generation** customer objectives?



What must the **future system** of data, attribute instruments, GHG accounting and leadership recognition programs look like to meet these objectives?

Next Generation Procurement: Optimizing for the decarbonization impact of electricity procurement

Customer-Identified Next Generation Procurement Objectives

	1. Procure any complementary or carbon-free electricity resource.
	2. Match energy consumption with carbon-free electricity procurement on a 24/7 basis.
	3. Procure carbon-free electricity at the most carbon-intensive times of day.
	4. Procure carbon-free electricity in the most carbon-intensive locations.
	5. Procure carbon-free electricity to cover electricity use across value chains.
	6. Apply over-procurement of carbon-free electricity from certain regions to places without procurement options.
	7. Motivate systemic grid decarbonization beyond the organization's operations.
	8. Deliver social and community benefits that promote further decarbonization of the grid.

Among the many updates needed to activate next generation procurement options, there are specific ways for REC registries to better serve customers

	New EAC types and/or attributes (such as Granular Certificates) with underlying data	Clarity on avoided carbon emissions	Updates to market, Scope 2 vs. 3, and impact boundaries	New or updated customer leadership / recognition programs
Procure any complementary or CFE resource	X			X
Match energy consumption with CFE procurement on a 24/7 basis	X			X
Procure CFE at the most carbon-intensive times of day	X	X		X
Procure CFE in the most carbon-intensive locations		X	X	X
Procure CFE to cover electricity use across value chains		X	X	X
Apply over-procurement of CFE from certain regions to places without procurement options		X	X	X
Motivate systemic grid decarbonization beyond the organization's operations	X		X	X
Deliver social and community benefits that promote further decarbonization of the grid	X		X	X

CEBI is developing guidance with NextGen Activators for voluntary market stakeholders to enable new procurement options



Energy customer perspectives

A growing group of customers seek solutions to achieve their next generation procurement objectives and better optimize the decarbonization impact of procurement decisions

A round of customer perspectives about:

- ▶ What are your company's "next generation" procurement objectives?
- ▶ Big picture, how will next generation procurement solutions meeting your objectives help advance systemic grid decarbonization?



Thank you!

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