

EPA Climate Leaders RECs Webinar


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Corporate Social Responsibility at Intel: *It's How We Do Business*

"Continuing our commitment to the highest performance in all we do—from product innovation to corporate responsibility—is good business."

Paul Otellini, President and CEO

Eco-Technology

Sustainable
Manufacturing

Energy Efficient
Performance

Design for
the Environment

Policy &
Industry



- Intel No. 1 on the 100 Best Corporate Citizens 2008 List



- Intel Named to 2007-08 Dow Jones Sustainability Indexes for Ninth Straight Year



- Intel among the 'Global 100' Most Sustainable Companies



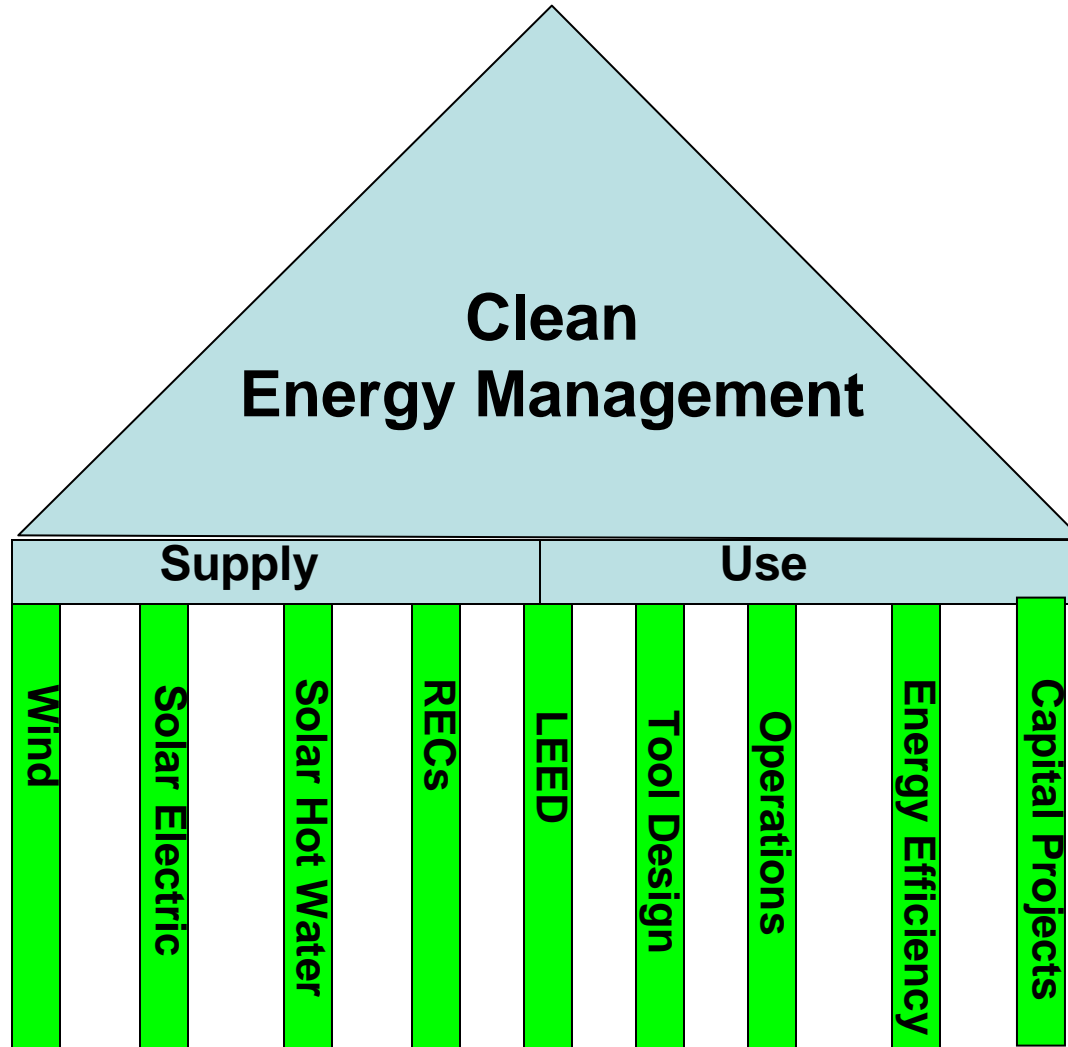
Intel Becomes Largest Purchaser of Green Power in the U.S.

Monday January 28, 10:51 am ET

Company Tops EPA Green Power Partner List, Vows to Drive for Greater Efficiency While Spurring Growth in Renewable Market

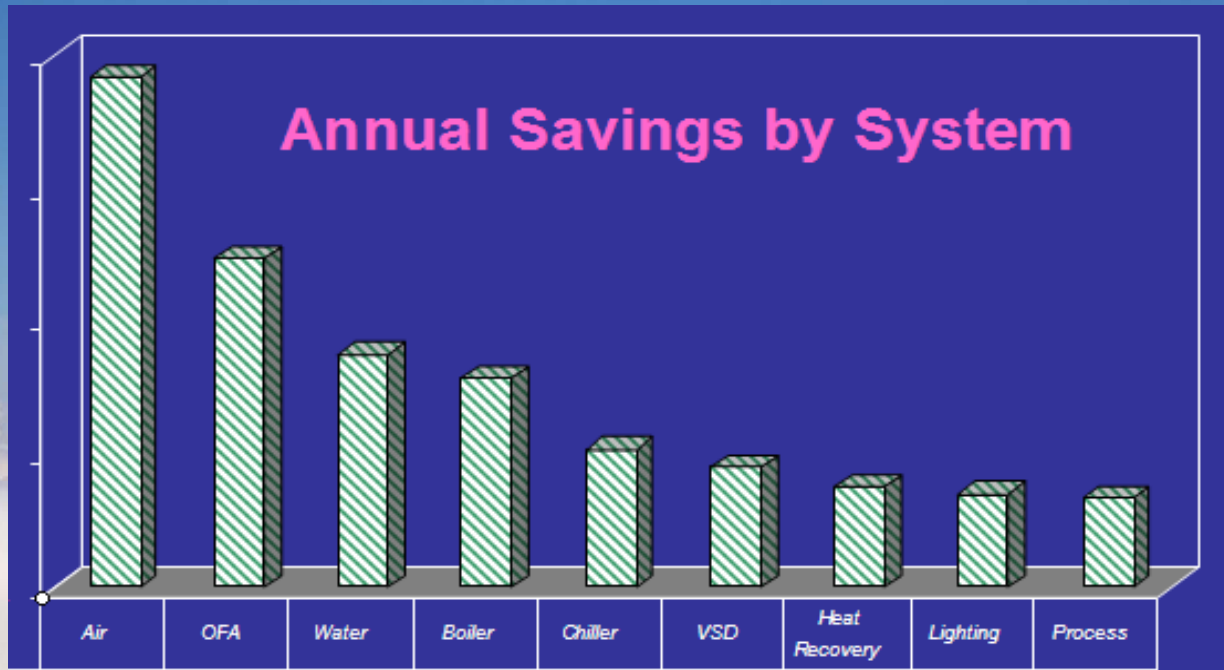
SANTA CLARA, Calif.--(BUSINESS WIRE)--Intel Corporation said today it will purchase more than 1.3 billion kilowatt hours a year of renewable energy certificates as part of a multi-faceted approach to reduce its impact on the environment, making Intel the single-largest corporate purchaser of green power in the United States, according to the U.S. Environmental Protection Agency (EPA). The company said it hoped the record-setting purchase would help stimulate the market for green power, which should lead to additional generating capacity and ultimately, lower costs.

Example of Efforts Promotes Flexible Philosophy



Use Less – Greenest of them all

- Dedicated Conservation Capital Funding Program 2001+
 - ~\$30M invested, >\$48M saved
 - > 250 projects, >600M-kwh +NG saved
 - Conservation is “the gift that keeps on giving”
 - Conservation has the most impact at least cost of all green options



Intel's 2008 Renewable Energy Actions

Intel receives **Green Power Leadership Award** from US EPA:



- Intel is the largest corporate purchaser of renewable energy in the U.S. and holds the #1 spot on their Green Power Partner list
- About 47% of Intel's purchased electricity usage (1.3 B-kWh) will come from renewable sources such as wind and solar

Intel site solar installations begin and expand quickly:



- Bangalore, India - solar water heaters supply nearly 100% of the 2 sites Hot Water requirement saving 70,000 kilowatts/yr.
- Oregon, USA - a 100Kw electric PV system on the roof of Jones Farm campus Energized Q4 '08.
- New Mexico, USA - a solar demonstration project highlighting PV uses and benefits in data centers operational Dec 2008.
- Evaluations in process at 4 additional solar projects

****Intel is the largest voluntary Wind Energy Purchaser in Oregon**

What does 1,300,000,000 kWh equal?

- 185,000 passenger cars off the road/yr
- Over 1,600,00,000 automobile miles not driven
- 133,000 houses with clean renewable energy
- 114,000,000 gallons of gasoline
- 2,350,000 bbls of oil
- 42,100,000 propane cylinders for home BBQ
- 5,278 railcars of coal burned
- 479,000 metric tons of Coal
- 18,000,000 Trees seedlings grown for 10 yrs
- Over 2,000,000,000 lbs of CO₂ offset each year
- Annual Generation from ~700 mW Solar plant

*** Estimates Based on EPA Calculations

Process and Internal Process

things that worked for us

- Lots of pockets of support and opposition
- Very emotional issue... keep emotion out of discussion
- Set timeline due to business (budget, announcements etc)
- Key Executive Supporter... “a champion”
- Create x-functional team (include PR/GA/Operations/Finance/etc)
- Clearly Identify a path (body) for approval or create one
- Pre-diligence w/ opposers to identify issues early
- Identify specific risks/benefits
- Don't use clichés “it is the right thing, good for environment, etc” unless that is your core business

Green Power Purchase Strategy

- Buy 1.3 B-kWh/yr of green energy
- Integrity/high road in all actions
- Not all cost driven, but cost focused and goal oriented
 - Make a difference in market, not just another renewable project
 - Largest **VOLUNTARY** purchase in US, 1.3 B- kWh
 - Nothing makes us do it... no regulatory/goal requirement
- No single action strategy, continuous improvements
- Diversify Impacts to current Portfolio
 - Spec'd generation from regions we operate
 - Supports local areas and local employees beliefs
 - Supports national (**Global** climate change)
 - Spec'd variety of generation
 - Technology agnostic - Non-discriminatory focus
 - Provides funding to all Green-e/EPA technologies
 - Multi-year contract
 - Secures and demonstrates Commitment, even in downturn
 - Mitigates price volatility risk
 - Still allow flexibility in further future for market changes

Required for Intel

- External Validation of Integrity
 - EPA Green Partner Program
 - Non-Profit Green-e certification
 - Attestations of each purchase
 - Highest quality/trusted supplier or marketer support
 - Approved mechanism for purchase
 - Positive history of mechanism, media and regulatory acceptance

Potential Considerations/Risks

- Need to commit for a term to demonstrate sustainability and commitment... economy impact risk
- Uncertainty
 - Regulatory Risk: Laws may limit applicability, create new restrictions or limit claims
- Rules, purchases or media can quickly change the pricing and availability of RECs... Not a liquid market
- ROI is difficult if not impossible to quantify for most companies, unless customers segment is specific
- Why risk w/o tangible return?
- “Hype hogs” Since this is based on good intentions, a malicious sensationalist can, w/o fact, attack integrity
- Apply the right product for right purpose: carbon credits/RECs/ etc

Potential Benefits Examples

- Green Purchase received more recognition than anticipated
- Have seen impacts to market through inquiries, discussions with other customers and suppliers
- Used in Internal and External Reports, seminars discussions
- Great outreach to employees, well received and proud
- Demonstrates commitment even during down times
- Opens many discussion formats, benchmarking opportunities, regulatory forums, strategic discussions, etc
- National awards by EPA/DOE/etc, media coverage from environmental and financial institutions
- Helps validated Intel as an interested party
- Continues to capture interest.

What Renewable Energy Actions are being Evaluated for Supply?

- Solar hot water installations at locations for domestic hot water supply
- Solar hot water for a factory/manufacturing hot water supply
- Solar PV electric opportunities at sites around the world
- Various other renewable technologies and unique/specific applications
- Strategic ICAP investment in renewable start-up companies
- Increased Renewable Energy purchases