

Green Balance

Frequently Asked Questions



What is Green Balance?

Green Balance is a carbon-neutral gas purchase program. The program applies Green Credits to your natural gas purchase in order to offset all or a portion of the carbon emissions that are created during natural gas combustion.

What are Green Credits?

A Green Credit represents the reduction, avoidance or sequestration of one metric tonne of carbon dioxide equivalent greenhouse gas emissions. Green Credits are the same as carbon credits or carbon offsets.

Who can participate in the Green Balance program?

Any CenterPoint Energy Services natural gas customer with an active underlying Gas Sales Agreement may participate.

Why should my company participate in the Green Balance program from CES?

By participating in the Green Balance program, your company can conveniently manage its carbon footprint, meet greenhouse gas emissions reductions goals and promote environmental stewardship.

How does Green Balance work?

Green Balance is offered as a complement to our natural gas supply program. On behalf of your company, CES purchases Green Credits to offset the carbon emissions created when your company consumes natural gas, making the gas purchase carbon-neutral. You and CES sales representatives work together to determine your desired level of carbon neutrality and CES applies the corresponding number of Green Credits to your natural gas purchase.

How does CES determine how many Green Credits to apply to my natural gas usage?

First, you and your CES sales representative determine the volume of natural gas that you want to make carbon neutral. This volume is based on either historical usage, forecasted usage or both. CES then divides that total gas volume by the current emissions factor – 18.8 MMBtu/Green Credit – which gives the number of Green Credits required.



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How is the emissions factor determined?

The basis for calculating the equivalent Green Credit quantity required to negate or offset carbon emissions from the combustion of a specified volume of natural gas is the weighted national average of greenhouse gas emissions factor for pipeline natural gas published by the United States Energy Information Agency under its "Voluntary Reporting of Greenhouse Gases Program" available at www.eia.gov/oiaf/1605/coefficients.html.

Are there any limits to the amount of gas my company can offset?

There is no limit to the amount of gas your company can offset. You may choose to offset any portion of your gas purchases, historical or forecasted usage, as long as you have an active Gas Sales Agreement in place. However, if you require more than 50,000 Green Credits in one transaction, a custom Transaction Confirmation must be issued.

What if the amount of Green Credits doesn't match my actual usage?

If your desired level of carbon-neutrality is 100 percent and the number of Green Credits purchased does not offset the natural gas consumed, you may elect to true-up by purchasing additional Green Credits as a part of the next gas term. If more Green Credits than what is needed to offset actual usage are purchased, you may apply the additional Green Credits to your next gas term.

What certification paperwork does my company get to show participation in Green Balance?

After you have completed purchase of Green Credits, CES will provide you with a certificate indicating the volume of Green Credits that have been retired. You may use the certificate as evidence of environmental stewardship among your shareholders, customers, suppliers and community.

From where does CenterPoint Energy Services (CES) obtain its Green Credits?

CES purchases its Green Credits exclusively from Element Markets, a Houston-based integrated environmental credit marketing and project development company. Element Markets certifies that all Green Credits purchased by CES are sourced from voluntary carbon emissions reduction projects that meet nationally recognized standards and have been registered pursuant to the rules and protocols of the Climate Action Reserve, the Verified Carbon Standard or other generally accepted organizations.

What does "retirement" mean?

Developers of voluntary emissions reductions projects register their projects with the Climate Action Reserve, Verified Carbon Standard or other generally accepted organization. Projects must demonstrate greenhouse gas emissions reductions, and upon verification, projects are assigned a unique serial number for each metric tonne of Green Credits (carbon reductions) produced. When Green Credits are bought and sold, the verifying organization tracks the title of each metric tonne through the unique serial number. As title is transferred from the buyer to the seller, the serial numbers are retired to assure that each metric tonne is counted only once.

Who retires the Green Credits?

Element Markets handles the retirement of all Green Credits on behalf of CES and its customers.

How much does Green Balance cost?

The cost of the program varies based on your desired level of carbon-neutrality. In general, if you offset 100 percent of your natural gas consumption, Green Balance would increase your total cost by 10 to 15 percent.

How often does the price change?

Element Markets will provide CES an updated price of Green Credits monthly at a minimum, but because Green Credits are traded more like annual financial instruments, there tends to be less price volatility as compared to the natural gas market.

Where does Green Balance show up on my invoice?

The cost associated with the purchase of Green Credits will show up as an additional line item on your invoice. The line item reflects the Monthly Purchase Amount, which is the total Green Balance Quantity (i.e., the total number of Green Credits purchased within a natural gas term), multiplied by the unit price per Green Credit and divided by the number of months in the natural gas term.



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