

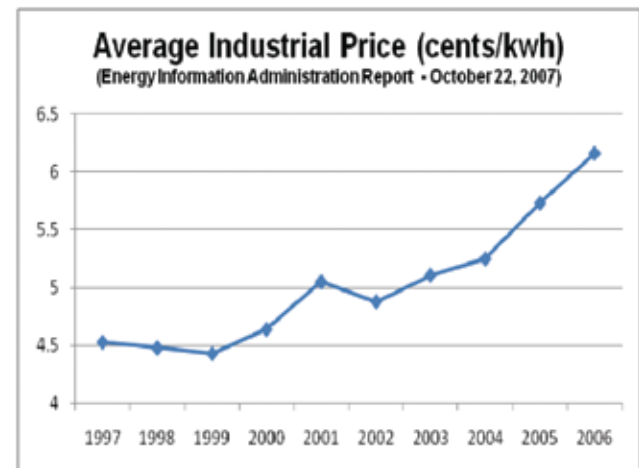
Energy and Greenhouse Gas Management

With the exponential rise in energy costs and the global concern over greenhouse gases, many corporations are faced with an uncertain future relating to the long-term impacts these issues will have on their bottom lines. Based on Department of Energy statistics, the average cost of electricity has risen by 40% and natural gas has risen by 400% over the last 10 years. Policy experts agree that U.S. GHG legislation is likely to be adopted in the near term. Carbon cap and trade and carbon tax are the two forms of legislation currently being debated. Costs associated with any GHG legislation either will result in a direct cost to a corporation, or at a minimum, higher energy costs. Corporations must learn to live in a carbon constrained world and be able to account for this trend in their short- and long-term business plans.

Strategy

At Kestrel, we see a clear approach to anticipating and addressing energy and GHG management. Energy use and GHGs are intrinsically linked. The starting point is to conduct a baseline energy and associated GHG inventory. The fundamental information developed at this stage must be comprehensive and reliable for assessing immediate business risk and future regulatory impacts. The USEPA is presently drafting regulations requiring organizations to develop and submit GHG inventories. The USEPA has passed regulations to determine greenhouse gasses.

Baseline GHG inventory information also can be used to estimate the financial impact of new legislation and to help develop a corporation's strategy for GHG management. A management system approach to energy use and GHG management helps to organize information and responsibilities while ensuring these issues are properly addressed.



Effective management systems are based on setting goals, identifying and implementing improvement opportunities, measuring progress, and readjusting goals as needed.

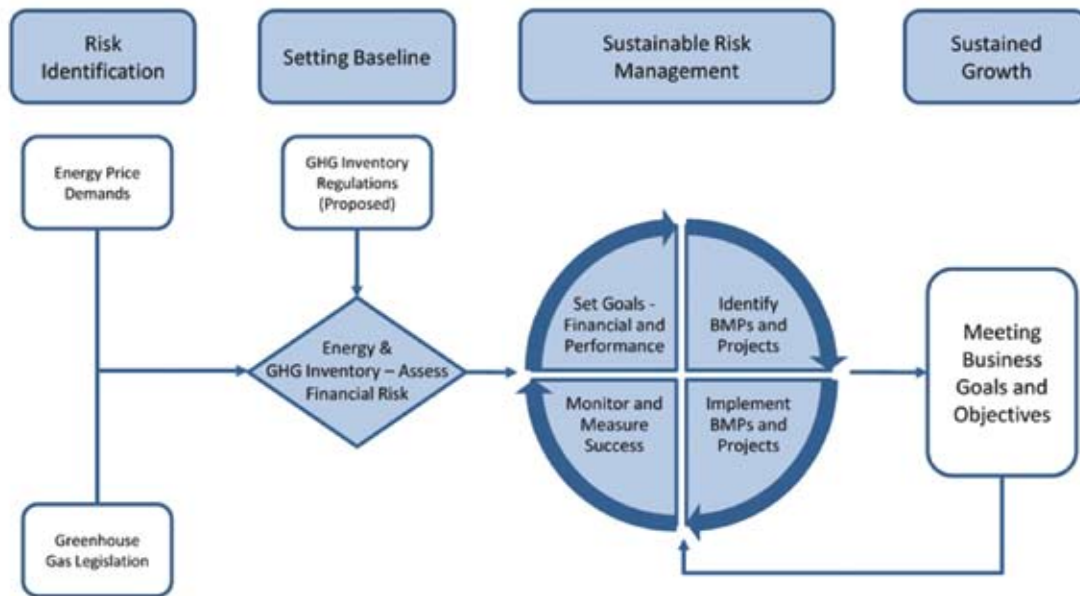
Kestrel Assistance and Expertise

Energy and Greenhouse Gas Inventories

- Conduct comprehensive energy and GHG inventories consistent with recognized accounting principles and protocols (ISO 14064, WRI/ WBCSD, others)
- Identify and review short- and long-term financial impacts

Energy and Greenhouse Gas Management

Kestrel's Energy and GHG Business Management Strategy



Sustainable Risk Management

- Process and energy optimization reviews using Project Yield®
- Demand side reduction audits
- Development and/or integration of GHG and Energy Management Systems
- Integration of GHG/Energy Management Systems into existing environmental or quality management systems
- MSE 2000 management systems
- Climate change strategy development and management
- Sustaining program elements for continual improvement