

Green Power Claims

Best Practices for Buyers and Sellers

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Outline

1. Who is CRS and Green-e?
2. What Constitutes a Claim?
3. Double Counting Issues
4. Other Common Claims Issues
5. Best Practices Wrap Up

Center for Resource Solutions (CRS)

A nonprofit organization working nationally and internationally to fight climate change by building policies and consumer-protection mechanisms in renewable energy, greenhouse gas reductions, and energy efficiency.

Developed and manage three certification programs for environmental markets:

Green-e Energy: Launched in 1997 to provide consumer protection for the green power markets in North America.

Green-e Marketplace: Launched in 2005 to verify green power claims made by companies purchasing renewable energy for their operations.

Green-e Climate: Launched in 2008 to provide consumer protection for the carbon offset market..

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What constitutes a claim?

- Sellers make claims:
 - The attributes of the product they sell
 - No double selling of those attributes
- Buyers make claims:
 - Claim = Retirement
 - Retirement = Claim
- Who owns the RECs?

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Null Power and Double Counting

$$\text{Renewable Electricity} - \text{REC} = \text{"Null" Power}$$

Examples:

Utility purchases power from a windfarm that sells its RECs to another party

Onsite Generation

Implied Claims and Double Counting

Example

A utility buying only null power puts windmills on its Web site or other corporate materials

Regulatory Claims and Double Counting

Example

A utility is subject to an RPS requiring 10% of its power come from renewable sources, and buys power from a geothermal facility to meet this requirement. The geothermal facility simultaneously sells RECs from all the power it produces to a third party.

Carbon Claims and Double Counting

Example

Involvement in carbon registries or voluntary cap-and-trade program

Selling RECs and carbon offsets from same unit of generation

Contracts. Contracts. Contracts...

Old/Vague Contracts and Double Counting

Example

A wind farm currently sells power to a utility under a contract signed in 1992. The wind farm subsequently begins selling RECs to another party in 2008.

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Claiming benefits you don't own...

Current emissions markets for SO_x and NO_x are regulated through national and regional cap and trade programs, renewable generators are not provided with allowances in the trading schemes.

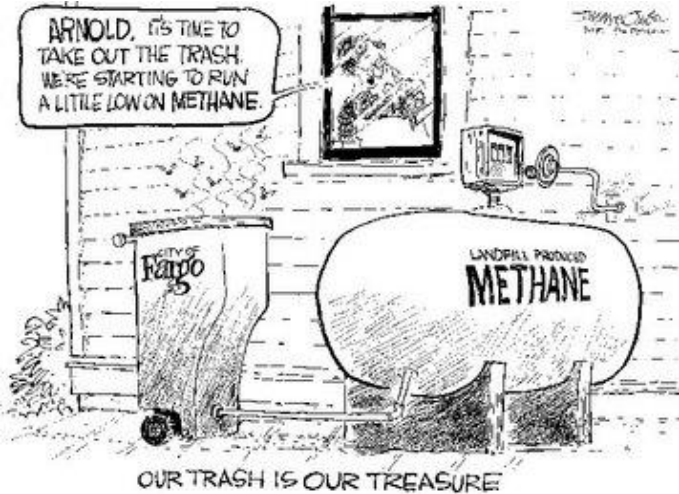
“Your purchase eliminates 15 pounds of SO_2 from the atmosphere!” and “Buy green power from ABC company and reduce acid rain!” = **Illegitimate Claims**

Emissions Reductions and Renewable Energy Derived from Captured Methane

Two commodities can be created and sold in some cases. This is not “double counting”.

When a project meets certain eligibility criteria, carbon offset credit can be derived from the capture and destruction of methane, a potent greenhouse gas.

REC can be generated when methane is flared and this waste heat is used to generate electricity.



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Best Practices for Buyers who wish to make claims

Make sure you own the RECs/contractual right to make claims.

Do not overstate environmental benefits, make claims that match the scope of your purchase.

Buy renewable energy that has been third party certified.

If generating on-site, keep the RECs if any claims are wished to be made.

Be careful with carbon neutrality claims.

Help for Sellers in Making Strong/Safe Claims

Clear Contracts

Tracking systems

Third Party Certification

Additional Resources (for both sellers and purchasers)

FTC Green Guides

<http://www.ftc.gov/bcp/grnrule/guides980427.htm>

NAAG Guidelines

http://apps3.eere.energy.gov/greenpower/buying/pdfs/naag_0100.pdf

Environmental Protection Agency

<http://www.epa.gov/greenpower/buygp/claims.htm>

Green-e

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