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Key Considerations in Marketing Solar Products & Renewable Energy Usage

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Green-e[®]

Energy

Consumer protection and certification
for voluntary renewable energy purchases



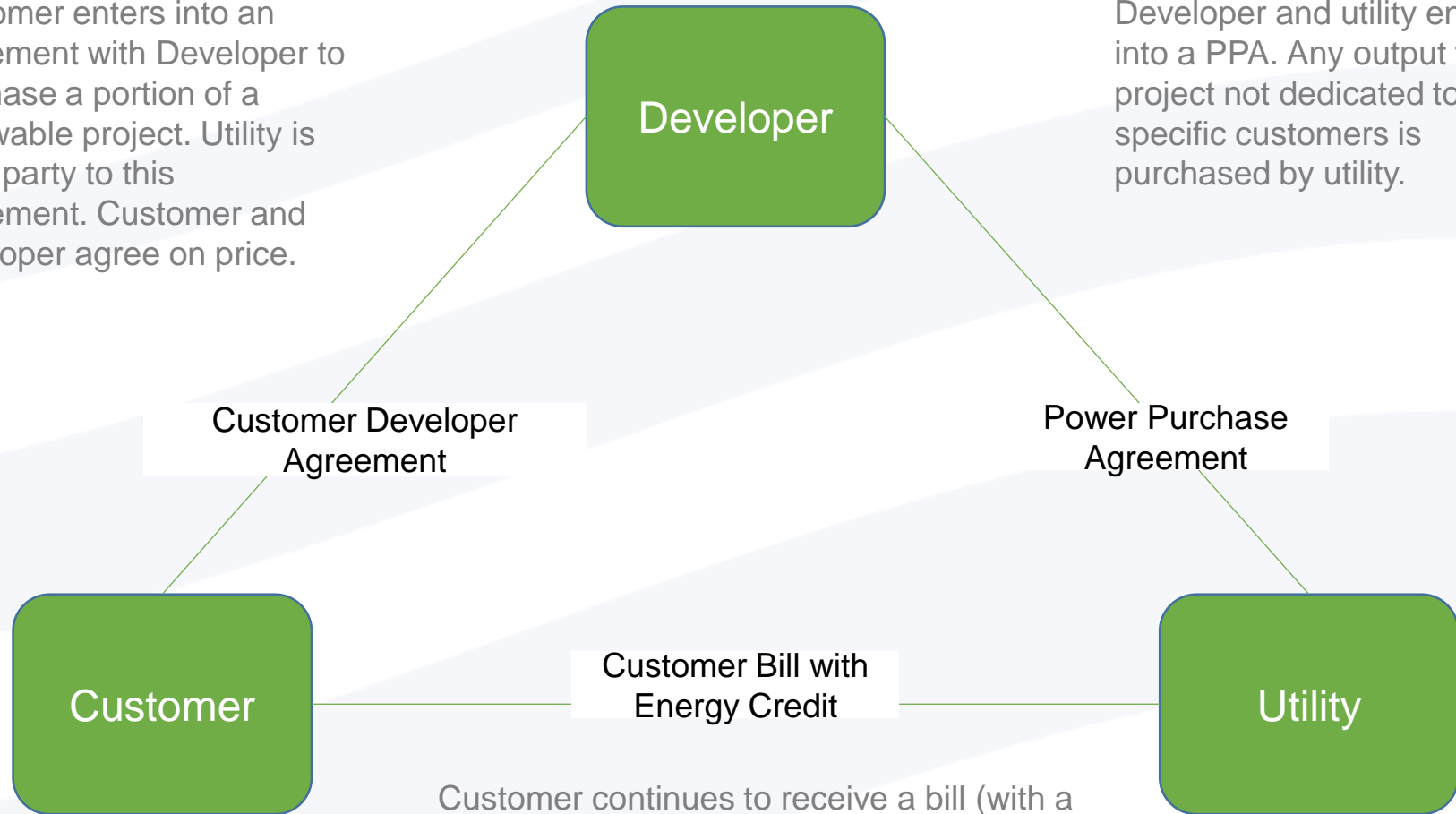
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SB43 & Enhanced Community Renewables Program

Customer enters into an agreement with Developer to purchase a portion of a renewable project. Utility is not a party to this agreement. Customer and developer agree on price.

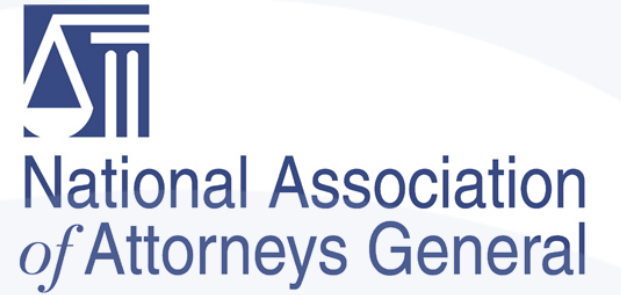
Developer and utility enter into a PPA. Any output from project not dedicated to specific customers is purchased by utility.



Customer continues to receive a bill (with a credit) from utility. All RECs from the subscribed electricity is retired on behalf of the customers.



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Key issues in solar (renewable energy) marketing

- All marketing must be clear, factual, & substantiated
- Straightforward and prominent disclosures
- **Cost & price projections**
- Avoid aggressive sales & marketing tactics
- Clear and comprehensive contracts
- **Clear renewable energy ownership**

Cost & Price Projections



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Price projections and guarantees of cost savings

- Provide list of data sources, assumptions, and under what circumstances the inputs are subject to change
 - SEIA Solar Business Code provides list of acceptable sources & methods
- Statement must be true for the majority, if not all, of your customers

X You will save money over the life of your deal!

✓ You will save money over the life of your deal!*

** Cost savings are only guaranteed with an indexed rate. Cost savings are calculated based on a 20-year projection using historical utility data from Utility Source 20XX. Please note the utility credit and utility charges are subject to change with PUC approval.*

Accurate portrayal of costs & price structure

- Specify price structure (“fixed”, introductory fees)
- Be clear on billing and other fees utility will charge
- Careful use of the term “free”

X Sign up for solar for free!

✓ There are no enrollment fees – you will pay \$10/month for a 1kW solar panel. 1 kW is equal to approximately XX kWh a month in California. You will continue to receive a bill from your utility. The charges and credits from your utility are subject to change.*

**Purchase of a certain capacity (kW) does not guarantee a certain amount of output (renewable energy kWh) will be produced. Individual units' output may vary based on weather, efficiency and other factors.*

Renewable Energy Marketing



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SEIA SOLAR BUSINESS CODE

Sections 5.11-5.15

- Companies must educate customers about RECs
- Where a company retains RECs, company:
 - Must explain who owns the right to the clean energy
 - May state that the consumer is helping to advance renewable energy, or similar

State Attorney General Offices



Vermont: Guidance for Third-Party Solar Projects

- Guidance on the statements that can be made when RECs are sold
- Examples of deceptive versus acceptable statements
- Directives on how to accurately market to customers

*“In those **projects where the RECs are sold**, consumers who enter into agreements with the provider are paying money to help generate solar energy, but from a legal perspective, the **consumers are not using solar energy** from that project.”*

Renewable Energy Marketing

1. Clearly define renewable energy certificates
2. Accurately represent ownership of RECs
3. Align messaging across all marketing
4. Align marketing with contractual representation of RECs

Accurately Market REC Ownership

Customer retains RECs

“Power your home with solar energy!”

Developer or utility retains RECs

“Support solar energy and lower your electricity bill! All renewable energy will be sold to others in order to keep your rates low.”

Additional Consideration: Incentives

Incentives: Some state incentives require that the RECs be conveyed to the utility or state to help RPS requirements.

Example: Xcel's Solar*Rewards program

- Transfers RECs to Xcel under contract

What this means for your customer: if the customer wants renewable energy, they will need to procure RECs elsewhere.



“By installing solar panels, you will help the utility meet it’s renewable energy goals.”



“~~Use renewable energy.~~”

REC Arbitrage

- Necessary where customer wants to make a RE usage claim and is not receiving RECs from a system
- Consider REC arbitrage to maintain RE usage and carbon reduction claims
- Arbitrage involves purchasing RECs from a different renewable energy generating facility
- **Marketing claim must be associated with the REC provided to customer**

Consequences of Misleading Marketing

- **Legal risk:** Federal Trade Commission CIDs & enforcement action
- **Legal risk:** state consumer protection laws & AG offices
- **Reputational risk:** industry reputation & Better Business Bureau
- **Financial risk:** breach of contract for RECs
- **Financial risk:** voluntary market (Green-e) eligibility



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