



CRS

center for
resource
solutions

June 30, 2015

Mr. Julian Dautremont-Smith, Director of Programs
Association for the Advancement of Sustainability in Higher education (AASHE)
2401 Walnut Street, Suite 102
Philadelphia, PA 19103

RE: Center for Resource Solutions' (CRS's) comments on version 2.0 of the Sustainability Tracking, Assessment & Rating System (STARS) Technical Manual

Dear Mr. Dautremont-Smith:

CRS appreciates the opportunity to comment on v2.0 of the STARS Technical Manual.

Background on CRS and Green-e®

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. Our leadership through collaboration and environmental innovation builds policies and consumer-protection mechanisms in renewable energy, greenhouse gas reductions, and energy efficiency that foster healthy and sustained growth in national markets. CRS has broad expertise in renewable energy and carbon policy and accounting. CRS administers the Green-e programs. Green-e Energy is the leading certification program for voluntary renewable electricity products in North America. In 2013, Green-e Energy certified retail sales of 33.5 million megawatt-hours, enough to power over a quarter of U.S. households for a month. Green-e Climate is a retail standard and certification program that sets consumer protection and environmental-integrity standards for carbon offsets sold in the voluntary market. Green-e Marketplace verifies and recognizes renewable energy and carbon offset purchases.

Stakeholder-driven standards supported by rigorous verification audits are a cornerstone of Green-e and enable CRS to provide independent third-party certification of environmental commodity transactions. The Green-e environmental and consumer standards are overseen by an independent governance board of industry experts, including representatives from environmental nonprofits, consumer advocates, and purchasers. Our standards have been developed and are periodically revised through an open stakeholder process. All Green-e program documents are available at www.green-e.org.

General Comments

CRS strongly supports the Sustainability Tracking, Assessment & Rating System (STARS), and particularly the inclusion of criteria and points for measuring and reducing Greenhouse Gas (GHG) Emissions (OP 1); generating, using, and/or purchasing Clean and Renewable Energy (OP 9); and Sustainable Purchasing (OP 12-17). The use of renewable energy and offsetting of direct GHG emissions are crucial components of sustainability for universities and other institutions of higher learning. We believe the continued recognition of renewable energy purchasing and carbon offsetting in STARS will stimulate important market demand into the future and have a significant positive impact on the development of renewable energy facilities and carbon offset projects in the U.S.

CRS also supports references to the Green-e Standards for renewable energy (Green-e Energy) and carbon offsets (Green-e Climate) in STARS. Reference of these standards is an effective way to promote the use of high-quality, verified renewable energy resources and GHG reductions at universities, and it will ensure that credits are only awarded for purchases of renewable energy and carbon offsets in which high-quality project standards are used, the chain-of-custody has been audited, and the retailers involved in the transaction are subject to Green-e's strict marketing and accountability requirements.

CRS offers the following suggested changes to help bolster and clarify the credits for Greenhouse Gas Emissions (OP 1), Clean and Renewable Energy (OP 9), and Sustainable Purchasing (OP 12-17).

Comments on OP 1: Greenhouse Gas Emissions

Comments 1-3 below pertain to the four eligible activities that can be counted as carbon offsets (OP 1, Section B, pg. 111):

1. "Carbon sequestration due to land that the institution manages specifically for sequestration" and "carbon storage from on-site composting" (numbers 2 and 3) are both activities and emissions that are inside the footprint of the institution, and should not be used for net adjustments to gross emissions.

Stored carbon (non-emissions) is captured in the gross emissions calculations over time. Sequestered carbon at onsite or in-boundary sources is not traditionally factored into emissions calculations, and should not be used for a net adjustment to gross emissions.

According to The Climate Registry (TCR), the impact of not cutting down trees and burning them would be captured in a scope and categorized as biogenic emissions. TCR does not support reporting indirect stored carbon (non-emissions) from biogenic sources since there are no emissions being reported in other scope 1 totals, and they do not address non-combustion based biogenic emissions. They suggest disclosing sequestered carbon from managed forests as an "information item" but do not allow for this to be used as a net adjustment equivalent to a carbon offset.

As for onsite composting, TCR requires that the emissions associated with the activity be reported, captured in scope 1 gross emissions. Theoretically, if an institution were to begin composting instead of doing something else to their waste onsite that had higher emissions, they would see a reduction in scope 1 emissions over time. If those activities were outside of their control, the reduction would occur in scope 3. If they are not measuring scope 3, then they would not be capturing that reduction, but regardless a scope 3 reduction is not equivalent to a carbon offset.

2. "Institution-catalyzed carbon offsets (popularly known as 'local offsets')" (number 1) should be third-party verified and meet the same quality criteria as other offsets, including project additionality, in order to be counted as carbon offsets and used for net adjustment to gross emissions.
3. Per the two comments above, institution-catalyzed carbon offsets, carbon sequestration due to land that the institution manages specifically for sequestration, and carbon storage from on-site composting (numbers 1-3) do not represent carbon offsets. They should not be used for net adjustments to gross emissions unless reductions are third-party verified and projects are

validated against offset quality criteria. As such, only “third-party verified purchased carbon offsets” (number 4) should be allowed to be counted as carbon offsets.

In addition, please see our comment below on the definition of “third-party verified purchased carbon offsets” (under Comments on Standards & Terms, comment no. 13).

4. We suggest including Green-e Energy certified renewable electricity products (utility products and competitive electricity products) and Green-e certified direct and onsite consumption as well in the existing statement that purchased RECs that are Green-e Energy certified may be counted as zero emissions energy for the purposes of Scope 2 GHG accounting.

Without including these other products, a user could conclude that either Green-e certification is not required for these other products or that these other products cannot be used for scope 2 accounting. It is worth noting the World Resources Institute (WRI) has released the *Greenhouse Gas Protocol Scope 2 Guidance*¹, and that use of Green-e certified renewable energy for scope 2 accounting is consistent with the Guidance.² An explicit requirement for Green-e certification is nevertheless important since this ensures that renewable energy purchases meet WRI’s Quality Criteria.

5. The difference between RECs that “meet Green-e Energy’s technical requirements and are verified as such by a third party” and “Green-e Energy certified RECs” is not clear to us, to the extent that they are differentiated in Section B of OP 1. To maintain the integrity of the rating system, we recommend against creating an unspecified equivalent to Green-e certification.

At the moment there is no equivalent certification to Green-e for renewable energy in the United States, and CRS has issued guidance around risks associated with claiming use of Green-e “certifiable” and other uncertified RECs.³

6. To avoid double counting, we suggest requiring that institutions that have sold or transferred emissions reductions must adjust net emissions calculated under this credit upward by the amount sold or transferred.

Language in Section B of OP 1 requires that, “institutions that have sold or transferred emissions reductions, e.g. in the form of verified emissions reductions (CERs), may not count those reductions toward this credit.” But this does not require that institutions that sell offsets (have an offset project within their boundary) must adjust total emissions upward (i.e. gross emissions total – offsets purchased + offsets generated and sold off = adjusted net emissions). The scoring guidance in Section D and the example calculations for Part 2 also do not require this accounting. Without this adjustment, the result is double counting.

7. We suggest requiring proof of purchase of carbon offsets, where purchased, as a part of conditional reporting fields (Section E, Conditional).

¹ Available online at: http://ghgprotocol.org/files/ghgp/Scope%20%20Guidance_Final.pdf.

² See *Green-e Energy Summary of WRI Scope 2 Guidance*, available online at: <http://www.green-e.org/docs/energy/Scope2Summary.pdf>.

³ See *Green-e Program Update, December 2014*, available online at: <http://www.green-e.org/docs/energy/Green-e%20Certifiable%201-Pager.pdf>.

Comments on OP 9: Clean and Renewable Energy

8. Regarding Option 4 (OP 9, Section B), see comment no. 5 above.
9. We suggest the following revisions to Option 4 (OP 9, Section B): “[...] or purchasing renewable electricity through the institution’s electric utility or supplier through a Green-e certified green power purchasing option.”
10. We request additional clarification of the following sentence: “Since this credit is intended to recognize institutions that are actively supporting the development and use of clean and renewable energy, neither the electric grid mix for the region in which the institution is located nor the grid mix reported by the electric utility that serves the institution count for this credit.”

If this is intended to mean that institutions cannot count renewable energy delivered through their electric utility’s (or provider’s) standard or default product, perhaps this can be clarified with some revisions to the text.

11. We suggest requiring proof of purchase of Green-e certified renewable energy, where purchased, as a part of conditional reporting fields (Section E, Conditional).

Comments on Purchasing (OP 12-17)

12. We suggest including points for purchasing products—electronics (OP 12), cleaning products (OP 13), and office paper (OP 14)—that are made with renewable energy.

Products manufactured with renewable energy can be identified through the Green-e Marketplace program.⁴

Comments on Standards & Terms

13. We suggest the following changes to the definition of “Third-party verified purchased carbon offsets:” “Third-party verified carbon offsets are purchased by from outside vendors. Green-e Climate, the The Voluntary Climate Verified Carbon Standard (VCS), and the Gold Standard are three two organizations that provide project-level third-party certification for carbon offsets. These standards provide assurance that offsets are real, measured, permanent, verified, and beyond business-as-usual GHG emission reductions. Green-e Climate is a retail standard and certification for carbon offsets that requires use of high-quality offset project standards like VCS and Gold Standard and also provides assurances related to the accurate and exclusive sale and delivery of carbon offsets in the retail market.”

Green-e Climate is not a project standard for carbon offsets and Verified Carbon Standard (VCS) and the Gold Standard do not do not provide the same retail-level assurances as Green-e Climate. In fact, Green-e Climate is a retail standard and certification (also called an offset product certification program) that

⁴ Visit the Green-e Marketplace webpages for a list of organizations and products using renewable energy: http://www.green-e.org/getcert_bus_participants.shtml. Also visit the Green-e re:print program page for a list of certified paper lines: <http://www.green-e.org/docs/CLP/reprint/Eligible%20Printers%20and%20Paper%20lines.pdf>.

includes (and in fact requires) use of endorsed project standard including VCS and the Gold Standard. As such, it is important to adequately differentiate Green-e Climate from project standards. Please visit the Natural Resources Defense Council (NRDC) webpage on carbon offsets⁵ for a description of Green-e Climate's role in the offset market. We recommend that AASHE maintain the reference to Green-e Climate certification for offsets so that institutions purchasing carbon offsets in the retail market (which we imagine will be the majority) can gain assurance about the validity of their purchases.

Thank you very much for the opportunity to comment. We would be happy to supply any other supporting or clarifying information that would be helpful.

Sincerely,

A handwritten signature in black ink, appearing to read 'Todd Jones', with a stylized flourish at the end.

Todd Jones
Senior Manager, Policy and Climate Change Programs

⁵ See <http://www.nrdc.org/globalwarming/offsets.asp>.