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**The Climate Registry:  
Electrical Power Sector Protocol  
Public Comment Draft**



The Climate Registry

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**PUBLIC COMMENT TEMPLATE**

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### **Chapter EPS-3 Special Power Programs and Special Power Certificates**

Comments: CRS appreciates the opportunity to comment on the Climate Registry's Electric Power Sector Protocol.

#### *Potential for Double Counting*

CRS is concerned that a potential for double counting occurs when one LSE purchases renewable electricity and then sells the certificates on to another LSE. Under the EPS Protocol, the first LSE will account for that purchase as zero emissions in their Scope 3 emissions. It is unclear as to whether the first LSE is then required to adjust their emissions metric if they then sell the certificates to another LSE. If they are not required to do so, then both entities would be claiming zero emissions electricity in their Scope 3 emissions. If this is the case, CRS recommends that when an LSE resells certificates, they must attribute an emissions value to the underlying null power. If this is not the case, we request more clarity in the document to address this scenario.

#### *General Reporting Protocol*

We urge the Climate Registry to revisit the General Reporting Protocol and allow purchasers of renewable energy to account for their emissions in the Scope 2 portion of their main emissions report. This is a standard reporting practice employed by other major registries, including the systems operated by the U.S. Environmental Protection Agency's Climate Leaders program. By not allowing for the adjustment of Scope 2 emissions for renewable energy purchases, the Climate Registry is explicitly denying purchasers of renewable energy generation or renewable energy certificates the ability to claim ownership of the environmental benefits. Such a position is inconsistent with the laws and practices of numerous states across the country, where the legislative and/or regulatory language underpinning their respective Renewable Portfolio Standards explicitly includes the emission benefits of renewable energy generation in the definition of what is legally contained in a renewable energy certificate.

Moreover, such a position threatens the livelihood of the vibrant voluntary market for renewable energy moving forward. Currently, many organizations, households, institutions, government agencies, and other entities voluntarily purchase renewable electricity or RECs as part of their commitment to environmentally responsible practices. Such purchases have been a major driver for renewable energy in the U.S. According to the National Renewable Energy Laboratory, over the five year period 2003-2007, voluntary renewable energy markets delivered more new renewable energy onto the U.S. electric grid than all the state-level renewable portfolio standards combined.<sup>1</sup> The renewable energy supported by these purchases has displaced fossil generation and resulted in real greenhouse gas emission reductions. In many cases, such purchases have been explicitly driven by the buyer's intent to reduce the greenhouse gas emissions associated with their electricity consumption. By not allowing purchasers of renewable energy to account for their emissions in the Scope 2 portion of their General Reporting Protocol report, the Climate Registry compromises the future livelihood of this successful market and takes a position that is inconsistent with a wide diversity of market participants, from utilities and ESPs and Fortune 500 companies to government agencies such as the U.S. Environmental Protection Agency.

<sup>1</sup> Bird, Lori, Claire Kreycik, and Barry Friedman. "Green Power Marketing in the United States: A Status Report (11<sup>th</sup> Edition), National Renewable Energy Laboratory. October 2008:

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[NREL/TP-6A2-44094. http://www.nrel.gov/docs/fy09osti/44094.pdf](http://www.nrel.gov/docs/fy09osti/44094.pdf)

### **EPS-3.1 Introduction**

Comments: *Definition of Renewable Energy Certificate*

The definition of Renewable Energy Certificate (REC) (or green tag, green energy certificate, or tradable renewable certificate) in the Introduction is not a generally accepted definition for the term. RECs are not subsidies. They are real environmental commodities used to substantiate the purchase and ownership claim of renewable energy. We recommend using the U.S. Department of Energy's definition instead:

*Renewable energy certificates (RECs), also known as green certificates, green tags, or tradable renewable certificates, represent the environmental attributes of the power produced from renewable energy projects and are sold separate from commodity electricity.<sup>2</sup>*

<sup>2</sup> <http://apps3.eere.energy.gov/greenpower/markets/certificates.shtml?page=0>

### **EPS-3.2.4 Eligibility of Green and Special Power Certificates**

Comments:

In order to reflect the operating rules of existing state endorsed tracking systems, there needs to be increased flexibility for the vintage and retirement of certificates in relation to the emissions year in which they are reported. We recommend that the generation vintage window for RECs in a given reporting year begin six months prior to the reporting year and end three months after the reporting year. A significant majority of the existing market for renewable energy currently follows this 21-month window. Such a structure provides much needed flexibility to the market, since it is difficult to accurately project how much renewable energy generation will occur in a given year until quite late or at the close of the calendar year. It also better accounts for the seasonality of renewable energy generation, allowing for greater equity amongst renewable energy resource types and locations all seeking to participate in the national renewable energy market.

Furthermore, requiring the retirement of RECs in the emission year in which they are reported to the Registry is inconsistent with how several of the established electronic tracking systems issue and retire certificates. A number of these tracking systems issue certificates as much as six months after the period of generation, and often this issuance occurs in the calendar year following the calendar year of generation. Similarly, some tracking systems allow retirements on a periodic basis whereby the retirement of certificates is not allowed until a specified time that can be several months after the certificate is issued. The retirement of certificates should extend into the following year to account for different tracking system's practices.

### **EPS-3.3 Accounting for Green or Special Power Certificates**

Comments:

The Special Power Programs and Special Power Certificates section of the EPS Protocol should specifically address all types of EPS members, not just LSEs. Power generators and wholesale power providers are involved in REC transactions as well, and it is important to ensure that these transactions are accurately accounted for.

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***EPS-3.3.1 Reporting Green and Special Power Certificates***

Comments:

The EPS Protocol requires generators to input the name of the organization certifying or verifying the certificates. However, this information is not necessarily known by the generator in many cases. Renewable energy can be sold from a generator to a marketer, then onto an end user. The certification often occurs when it is sold from the marketer to the end user, and thus the generator will not have access to this information when they input the details of their generation into the Registry.

***EPS-3.3.2 Rebalancing of Regional Average Emission Factors***

Comments:

We understand the purpose of adjusting eGRID system averages to account for renewable energy transactions. However, in regions with all generation tracking systems, such as PJM and NEPOOL, please note that there is more precise and timely information available, resulting in more accurate emission rates without the need to adjust for renewable energy generation.