CRS center for resource solutions

March 19, 2012

U.S. Green Building Council (USGBC)
2101 L St. NW, Suite 500
Washington D.C. 20037

To Whom It May Concern:

Center for Resource Solutions (CRS) appreciates the opportunity to comment on *LEED 2012 Rating System Drafts*.

Background on CRS and Green-e®

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy and mitigate climate change. Our leadership through collaboration and environmental innovation builds policies and consumer-protection mechanisms in renewable energy, greenhouse gas (GHG) reductions, and energy efficiency that foster healthy and sustained growth in national and international markets. CRS has broad expertise in renewable energy and carbon policy and accounting.

CRS administers the Green-e programs. Green-e Energy is the nation's leading independent consumer protection program providing certification and verification for renewable electricity and renewable energy certificates (RECs). Green-e Climate is a certification program that sets consumer protection and environmental-integrity standards for carbon offsets sold in the voluntary market. Green-e Marketplace recognizes companies that use renewable energy by allowing them to display the Green-e logo when they have purchased a qualifying amount of renewable energy and passed the program's verification standards.

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. Green-e program documents, including the standards, contract templates, and the annual verification report, are available at www.green-e.org.

General Comments

CRS strongly supports current references to the Green-e Programs. The use of renewable energy and offsetting of direct GHG emissions are crucial components of sustainability for buildings, and Green-e ensures 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.

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CRS strongly supports current references to Green-e Climate certification of carbon offsets, in particular. Green-e Climate is the most complete and standardized way for offset sellers to demonstrate clear, unique, correct, and permanent delivery of high-quality offsets; the only way that involves third-party, independent verification and certification of retail transactions; and the easiest way for buildings seeking LEED certification to gain assurance of these important consumer-level protections.

Building Design and Construction (BD&C) and Interior Design and Construction (ID&C) – Energy and Atmosphere (EA): Green Power and Carbon Offsets

RECOMMENDATIONS:

> *"Engage in a contract for qualified resources that came online after January 1, 2005, for a minimum of 5 years, to be delivered annually or more frequently. The contract must specify the provision of at least 50% or 100% of the project's energy from renewable electricity or Renewable Energy Certificates (RECs), or specify the provision of carbon offsets for at least 50% or 100% of the emissions associated with the project's energy use.*
>
> *Green power and RECs must be Green-e Energy certified or the equivalent. RECs can only be used to mitigate the impacts of electricity use and Scope 2 GHG emissions on a megawatt-hour basis.*
>
> *Carbon offsets may be used to mitigate Scope 1 or Scope 2 GHG emissions on a metric ton of carbon-dioxide-equivalent basis, and must be Green-e Climate certified (or equivalent) if purchased from an offset seller or, if procured directly from a greenhouse gas emissions reduction project, reductions must be certified by a Green-e Climate Endorsed Program. If not Green-e Climate certified, the project must demonstrate that offsets are fully retired in a third-party registry.*
>
> *For projects located in the US, the offsets must be from greenhouse gas emissions reduction projects within the United States."*

COMMENTS:

1. Be advised that an online date of January 1, 2005 is generally inconsistent with what has been accepted (by CRS, EPA, and others) as "new" in the renewable energy market—new facilities are those which have begun operations within the last 15 years—and would therefore cause many utilities green power programs to be excluded.
2. Carbon offsets now appear in a list of sources from which a building must procure 50-100% of its energy (along with green power and RECs). This is inappropriate since one cannot procure energy from carbon offsets, and carbon offsets are not a renewable energy instrument. Carbon offsets should be differentiated as a means to address GHG emissions associated with energy use, not the energy use itself. See recommendations.
3. As written, the language around carbon offsets undercuts the value of Green-e Climate certification since procuring offsets from a Green-e Climate endorsed program alone is not equivalent to Green-e Climate certification. It is important that LEED require Green-e Climate certification for offsets procured from an offset seller, and for offsets procured directly from an offset project, require the minimum of project certification by a Green-e Climate endorsed program. Without this minor modification, purchasers will not necessarily receive a high quality offset product. See recommendations.

4. While Green-e Climate certification verifies complete and accurate retirement, if the offset purchase is not Green-e Climate certified (i.e. offsets were procured directly from an offset project), it is important that the purchaser be able to demonstrate that the offsets are fully retired in a third-party registry. See recommendations.

BD&C and ID&C – EA: Renewable Energy Production

RECOMMENDATIONS:

Add to Requirements: *"In all cases, the Renewable Energy Certificates (RECs) and all emissions avoidance claims must be retained by the project owner and not sold."*

COMMENTS:

1. Since renewable energy systems can produce energy that is more expensive than natural gas or grid electricity, calculating the benefit in terms of cost only can be misleading. Renewable energy production should be measured in energy output (kWh or MWh), rather than cost, which can then be directly and meaningfully compared to building energy consumption. Relying solely on cost could mean that buildings pay more for less renewable energy, which lessens the environmental benefit of their actions.
2. Assuming this credit is for renewable energy use (as opposed to simply hosting a renewable energy system without using the solar electricity output or retaining the RECs), retention of the renewable attributes (REC) is absolutely necessary in order to claim renewable energy use. RECs serve as the currency for renewable energy claims in both compliance and voluntary markets in the U.S. This is recognized by the Green-e Programs, the US EPA, the US Council for Environmental Quality, and many other organizations.

Existing Buildings: Operations and Maintenance (EBOM) – EA: Green Energy Production and Utilization

RECOMMENDATIONS:

"ESTABLISHMENT

Demonstrate one or more of the following for a portion or all of the building's total energy use and/or the GHG emissions associated with energy use:

- *Total energy use is met directly with renewable energy systems;*
- *A minimum five year contract is in place to purchase green power or Renewable Energy Certificates (RECs) that is supplied with resources that came online after January 1, 2005, to be delivered annually or more frequently, or;*
- *A minimum five year contract is in place to purchase qualified carbon offsets, to be delivered annually or more frequently.*

PERFORMANCE

Meet some, or all, of the building's total energy use directly with renewable energy systems, or engage in a contract to purchase green power or Renewable Energy Certificates (RECs), or carbon offsets.

Green power and RECs must be Green-e Energy certified or the equivalent. RECs can only be used to mitigate the impacts of electricity use and Scope 2 GHG emissions on a megawatt-hour basis.

Carbon offsets may be used to mitigate Scope 1 or Scope 2 GHG emissions on a metric ton of carbon-dioxide-equivalent basis, and must be Green-e Climate certified (or equivalent) if purchased from an offset seller or, if procured directly from a greenhouse gas emissions reduction project, reductions must be certified by a Green-e Climate Endorsed Program. If not Green-e Climate certified, the project must demonstrate that offsets are fully retired in a third-party registry.

For projects located in the US, the offsets must be from greenhouse gas emissions reduction projects within the United States.

For on-site renewable energy that is claimed this credit, all associated RECs and emissions avoidance claims must be retained or retired and cannot be sold or transferred to a third party."

COMMENTS:

1. It was inappropriate to delete previous language requiring that all associated RECs and emissions avoidance claims to be retained or retired by the project in order to earn credit for on-site renewable energy under this credit. Retention of the renewable attributes (REC) is absolutely necessary in order to claim renewable energy use. The electricity generated by a renewable electricity facility, when stripped of its RECs, must be treated as having the same environmental impact as average grid electricity. This is recognized by the Green-e Programs, the US EPA, the US Council for Environmental Quality, and many other organizations.
2. Be advised that an online date of January 1, 2005 is generally inconsistent with what has been accepted (by CRS, EPA, and others) as "new" in the renewable energy market—new facilities are those which have begun operations within the last 15 years—and would therefore cause many utilities green power programs to be excluded.
3. The previous 5 year purchase commitment (and that which is required in the BD&C and ID&C rating systems) is much stronger and will allow the LEED Standards to have a much greater impact on renewable energy development than the current language requiring "a minimum 2 year contract [...] with the commitment to renew on an ongoing basis." We suggest returning to a 5 year commitment. Additionally, requiring a "commitment to renew on an ongoing basis" is vague and requires clarification.
4. Carbon offsets now appear in a list of energy sources from which a building must procure 50-100% of its energy (along with green power and RECs). This is inappropriate since one cannot procure energy from carbon offsets, and carbon offsets are not a renewable energy instrument. Carbon offsets should be differentiated as they address GHG emissions associated with energy use, not the energy use itself. See recommendations.
5. As written, the language around carbon offsets undercuts the value of Green-e Climate certification since procuring offsets from a Green-e Climate endorsed program alone is not equivalent to Green-e Climate certification. It is important that LEED require Green-e Climate certification for offsets procured from an offset seller, and for offsets procured directly from an offset project, require the minimum of project certification by a Green-e Climate endorsed program. Without this minor modification, purchasers will not necessarily receive a high quality offset product. See recommendations.

6. While Green-e Climate certification verifies complete and accurate retirement, if the offset purchase is not Green-e Climate certified (i.e. offsets were procured directly from an offset project), it is important that the purchaser be able to demonstrate that the offsets are fully retired in a third-party registry. See recommendations.
7. "Energy Use Mitigation," as used in the table, requires additional clarification since it is not defined earlier. For example: "Energy use mitigation means purchasing RECs or green power for the electricity portion of listed percentage of energy use, on a megawatt-hour basis, and purchasing offsets for the emissions associated with the non-electricity portion of the listed percentage of energy use, on a metric ton of carbon-dioxide-equivalent basis."
8. We feel that the current language allows relatively low thresholds for onsite renewable energy use/production (1.5-7.5%). We suggest increasing these levels substantially.

Neighborhood Development (ND) – Green Infrastructure and Buildings (GIB): Renewable Energy Production

RECOMMENDATIONS:
Add to Requirements: *"In all cases, the Renewable Energy Certificates (RECs) and all emissions avoidance claims must be retained by the project owner and not sold."* We also recommend changing the heading of the first column in the table to "Percentage of annual electrical and thermal energy use."

COMMENTS:
1. Since renewable energy systems can produce energy that is more expensive than natural gas or grid electricity, calculating the benefit in terms of cost only can be misleading. Renewable energy production should be measured in energy output (kWh or MWh), rather than cost, which can then be directly and meaningfully compared to building energy consumption.
2. Retention of the renewable attributes (REC) is absolutely necessary in order to claim renewable energy use. RECs serve as the currency for renewable energy claims in both compliance and voluntary markets in the U.S. This is recognized by the Green-e Programs, the US EPA, the US Council for Environmental Quality, and many other organizations.

Thank you for your consideration. Please contact CRS for any clarification on these comments or with any questions.

Sincerely,

Jennifer Martin
Executive Director