



CRS

center for
resource
solutions

[SUBMITTED ELECTRONICALLY VIA EMAIL TO solaranalysis@ee.doe.gov]

July 27, 2016

U.S. Department of Energy
Office of Energy Efficiency & Renewable Energy
Forrestal Building
1000 Independence Avenue, SW
Washington, DC 20585

RE: Comments of Center for Resource Solutions (CRS) regarding the U.S. Department of Energy SunShot Initiative's Request for Information (RFI) DE-FOA-0001614, on the Community Solar Challenge

To Whom It May Concern:

Center for Resource Solutions (CRS) appreciates the opportunity to provide comments on the proposed Community Solar Challenge, particularly on Category A's first question describing overall comments, strengths and weaknesses of the community solar challenge concept.

CRS is a nonprofit organization that creates policy and market solutions to advance sustainable energy. CRS administers Green-e® Energy, North America's leading independent certification and consumer protection program for renewable energy sold in the voluntary market. Green-e Energy certifies and verifies roughly three quarters of the U.S. voluntary renewable energy market and an even higher proportion of U.S. voluntary REC sales. CRS's role in this market is to protect the voluntary consumer against double counting and false claims, and ensure the purchaser of renewable energy that they are receiving all of the attributes of renewable energy generation that they were promised. CRS also has a long history of working with state and federal agencies to design and implement consumer protection policies that ensure accurate marketing and avoid double counting of individual resources towards multiple end uses.

We are writing in overall support of the proposed Community Solar Challenge but would like to advise on proactively avoiding potential double claims issues commonly encountered by community solar programs.

Community Solar and Renewable Energy Certificate Claims

The Community Solar Challenge has the potential to be a valuable tool to promote the growth of new renewable energy projects and new electricity products. It will allow residential and small commercial utility customers to support renewable energy projects located on key anchor tenants of their community or in relatively close proximity. If done well it is a win-win scenario for customers and the industry.



However, much of the marketing surrounding any given community solar project typically conveys—either explicitly or implicitly—that the customer is receiving renewable energy and therefore the right to claim the environmental benefits associated with renewable generation (e.g. the direct emissions from the renewable generation facility itself, and the avoided emissions impact the renewable generation has on the electricity grid) in the form of a renewable energy certificate (REC). This type of marketing is accurate if the customer gets the REC associated with electricity generated from the project, but it is misleading when the customer does not get the REC that conveys such claims. If the REC is not owned by or retired on behalf of the customer and instead is sold to a different buyer, retained by a utility to meet Renewable Portfolio Standard (RPS) obligations, or is retained by the solar project host for some other purpose (e.g. to emphasize the “green” nature of the building serving as the host), then the customer no longer has the exclusive right to claim those underlying environmental benefits and may in fact be supporting state compliance or another party’s claim. The result creates a scenario where marketing the project in such a manner leads consumers to believe that they are receiving solar energy when they are not, and is misleading to consumers, counter to long-standing renewable energy industry best practices, and prohibited under the Federal Trade Commission (FTC) Act.¹ Failing to deliver and properly disclose the role and value of RECs to consumers gives critics ammunition to attack providers for deceptive marketing and is counterintuitive to the expressed goals of the Community Solar Challenge.

Comments

Our comments pertain to the first question in the Category A: Overall section of the RFI document.

First, we recommend including an organization that is well-versed in the nuances of claims policy and solar marketing as a technical assistance provider to participant parties in the Community Solar Challenge. It is imperative to educate Challenge participants on RECs and REC claims before they enter into a project development contract with a facility provider or a rate plan agreement with their local utility which may affect the non-financial value of a participant’s investment and strip them of their claim to receipt and consumption of renewable energy.

Second, in all cases, but especially in the case where a program is implemented by a municipal utility or a local electric cooperative, we recommend that SunShot consider requiring or referencing Green-e (or equivalent) certification as a part of program requirements. Independent, third-party certification can verify the following requirements:

¹ <http://www.ftc.gov/enforcement/statutes/federal-trade-commission-act>, FTC Green Guides available online: https://www.ftc.gov/sites/default/files/documents/federal_register_notices/guides-use-environmental-marketing-claims-green-guides/greenguidesfrn.pdf



- Advertising and solicitations. For example, Green-e enforces marketing and REC disclosure language requirements and restrictions for all certified renewable energy, including requirements for advertising through TV, radio, and electronic media, and requirements for information provided on websites.
- Protection against double counting and double claims. For example, Green-e conducts an annual verification review to help ensure that all certified generation is only claimed by one party and to maintain the validity of that claim.
- Required disclosures. For example, Green-e requires the provision of certain disclosures to customers purchasing certified renewable energy, including certain mailings and a detailed Price, Terms, and Conditions document.
- Contractual terms and conditions. For example, Green-e enforces requirements for the terms and conditions that must be provided to customers purchasing certified renewable energy.
- Requirements for different methods of contracting and different sales channels and methods. For example, Green-e enforces requirements for various different sales channels and subscription mechanisms.

Certain states have required Green-e certification for community solar programs. For example, in January 2015, the California Public Utilities Commission (CPUC) directed the three largest investor-owned utilities (IOUs) in the state—Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company, which together cover nearly 80% of the state— to offer a Green-e Energy certified 100% renewable energy option to their each of their customers named the “Enhanced Community Renewables” (ECR) program, which is based upon the community solar model of renewable energy purchasing. According to the CPUC’s order, “Green-e Energy certification will also provide customers with standardized, understandable information on the energy’s attributes.”²

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,

Michael Leschke
Green-e Verification Manager and Senior Analyst

² California Public Utilities Commission (CPUC). Decision 15-01-051 January 29, 2015. Section 5.4, pg. 90.