

BEST PRACTICES FOR MARKETING COMMUNITY SOLAR PROGRAMS

Guidance for Developers Marketing Community Solar Programs to Retail Customers

Community Solar Marketing Best Practices

1. Be clear and factual in all marketing claims:
 - Cost: Be transparent and accurate in conveying the price to the customer
 - Projections: Use a realistic methodology for price projections and comparisons, and do not be misleading
 - Product features: Be clear and explicit with product quality and features
2. Provide straightforward and prominent disclosure of terms—matching those that have been advertised in marketing.
3. Be clear in your marketing materials and contracts about who owns the Renewable Energy Certificates (RECs). Be specific and accurate about REC ownership and associated renewable energy claims that the customer can or cannot make.
4. Engage with your state regulators to promote community solar.
5. Get your community solar program independently certified to ensure that these best practices are met. According to the Federal Trade Commission's *Green Guides*, it is misleading to misrepresent, directly or by implication, that a product has been certified by an independent third party.

Example Marketing Statements

Example 1: Cost

WRONG "The cost to you will be less than \$100 per year."

RIGHT "The cost to you will be less than \$100 per year."*

* Price based on average monthly U.S. home usage of 909 kWh.

WRONG "Join Community Solar for free!"

RIGHT "There are no enrollment fees—you will pay \$[X]/month for a 1kW solar panel. 1kW is equal to approximately [XX] kWh a month in [STATE]."

Specific price quotes should state: (1) if the advertised price is an estimate, and the key assumptions for the methodology used; (2) if the advertised price will change and over what time frame, for instance if there is an initial introductory fee that will later be increased; (3) if the advertised price includes an incentive or requires additional eligibility criteria.

Example 2: Product Features

WRONG "Support local renewables!"

RIGHT "Support local renewables!"*

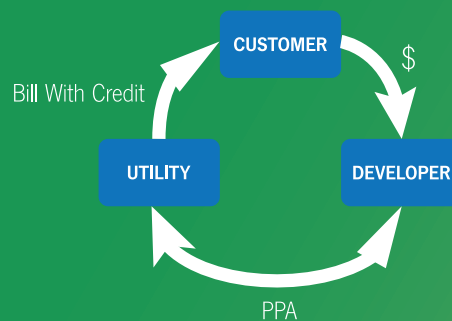
*The project will be located within 10 miles of [CITY, STATE]

All endorsements or product claims must be real and verifiable. Where terms do not have a standard industry-wide meaning, such as "local," provide a definition of the term.

Case Study: Utility Green Tariffs & Community Solar

California's Enhanced Community Renewables Programs

Under California's Enhanced Community Renewables program, developers market directly to and enroll customers in the local investor-owned utility's community solar program. Developers are required to follow industry best practices in terms of renewable energy usage claims, clear and accurate marketing, and straightforward consumer disclosures.



- **Green-e Energy certification is required**
- **Developer marketing materials are reviewed prior to marketing to customers to ensure compliance with best practices**
- **Developers undergo an annual marketing compliance review of all materials**
- **Developers provide customers with a clearly outlined list of disclosures both at sign up and in a welcome packet**
- **Because customers receive the RECs, developers can market to customers based on the fact that they will be using renewable energy**

Example 3: REC Ownership

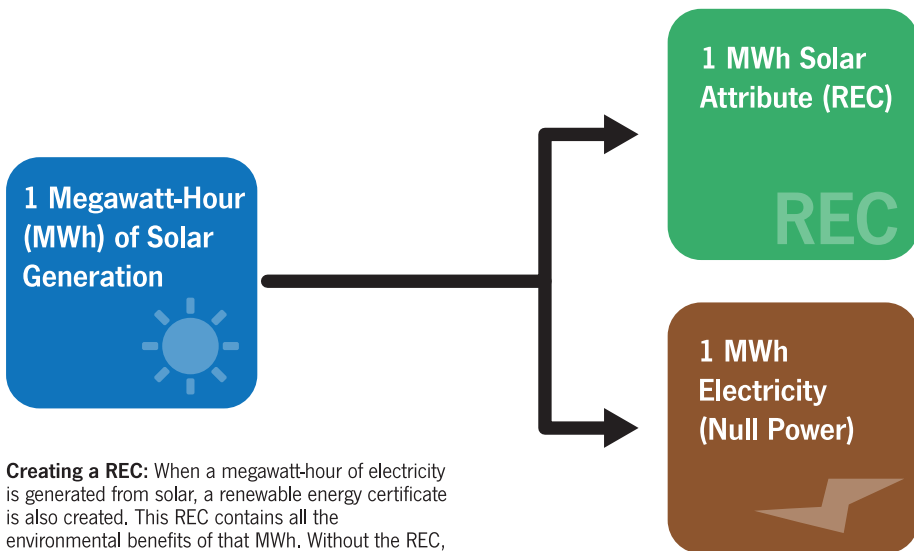
RIGHT Customer retains RECs: “Power your home with solar energy!”

RIGHT Developer or utility keeps RECs: “Support solar energy and lower your electricity bill! All renewable energy certificates will be sold to others in order to keep your rates low.”

WRONG Developer or utility keeps RECs: “Power your home with solar energy!” (**DOUBLE CLAIM**)

The Federal Trade Commission, The Interstate Renewable Energy Council’s Consumer Bill of Rights, and Solar Energy Industry Association’s Business Code all place the burden of REC education on developers. REC ownership and the environmental benefits of the purchase should be clear and accurate in all marketing and should be conveyed within the contract.

If the customer does not receive the RECs from the purchase: do not advertise that the customer’s purchase is “renewable,” and any statements about how the purchase will lead to the generation of renewable energy should also include disclosure that the customer is not receiving renewable energy through the purchase.



Creating a REC: When a megawatt-hour of electricity is generated from solar, a renewable energy certificate is also created. This REC contains all the environmental benefits of that MWh. Without the REC, that electricity is no longer considered “solar power.”

Example 4: Price Projections

WRONG “You will save money over the life of your deal!”

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

* Cost savings are calculated based on a 20-year projection using historical utility data from [Utility Source, Year].

Price projections should include relevant assumptions, key details of the methodology, and verifiable citations for the data used for projections. See the SEIA Business Code for examples of appropriate sources.*

Community Solar in States with Renewable Portfolio Standards

If an electricity product is actively marketed as “community solar,” and customers believe they are enrolling to receive and consume solar energy, then these subscribers are entitled to have solar RECs retired on their behalves. If a customer enrolls in a program that does not retire RECs on behalf of the end-users, then they do not have a valid claim to be consuming this solar energy, and the underlying electricity from these projects no longer carries the environmental attributes of solar generation.

Furthermore, if RECs from community solar projects are used for compliance with a state’s Renewable Portfolio Standard (RPS), then the impact of these subscriptions on the growth of renewable energy is not surplus to what is required by regulation. In other words, voluntarily enrolling in a community solar program that supports RPS compliance simply subsidizes the electricity service provider’s compliance obligations. In order for community solar subscriptions to drive renewable energy deployment beyond state mandates, RECs must be retired on behalf of the end-use customers.

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* SEIA Business Code can be found at: www.seia.org/policy/consumer-protection/seia-solar-business-code



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