



CRS

center for
resource
solutions

March 10, 2017

New Jersey Clean Energy Program (NJCEP)
44 South Clinton Avenue
Post Office Box 350
Trenton, NJ 08625-0350

Re: Comments of Center for Resource Solutions (CRS) in response to Preliminary Draft Solar Disclosure Statements and website content

To Whom It May Concern:

CRS appreciates this opportunity to submit comments regarding preliminary draft solar disclosure statements and website content presented at Renewable Energy Stakeholder Meetings on February 14 and March 3, 2017. These comments pertain primarily to solar renewable energy certificate (SREC) disclosures and related content.

Introduction to CRS & Green-e®

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. CRS administers the Green-e programs. Green-e Energy is the leading certification program for voluntary renewable electricity products in North America. For over 20 years, Green-e staff have worked with independent third-party auditors to annually verify renewable energy purchases in the voluntary market and ensure purchasers receive full environmental benefits and sole ownership of each megawatt-hour (MWh) of renewable energy they purchase. Verification procedures ensure there is no double counting between voluntary and compliance (RPS) markets, and that other renewable energy or carbon policies do not claim any of the environmental benefits of certified renewable energy. In 2015, Green-e Energy certified retail sales of over 44 million MWh, representing over 1.2% of the total U.S. electricity mix. In 2015, there were over 827,000 retail purchasers of Green-e certified renewable energy, including 36,000 businesses.

Comments on NJCEP Solar Leasing Disclosure Statement and Solar PPA Disclosure Statement

1. We strongly support the inclusion of SREC disclosure in both the Solar Leasing Disclosure Statement and the Solar PPA Disclosure Statement, as well as the Solar Financing Options website. We also strongly support that this disclosure be required to be provided before the contract/sale.

The current SREC disclosure language can be improved by including a simple SREC description and supplementing language explaining the benefits associated with SREC ownership versus transfer/surrender.

2. We recommend that the disclosure statements include a description of SRECs that can be easily understood by lessees and power purchase agreement (PPA) customers. The description should state that SRECs represent renewable energy generated and are essential to renewable energy ownership and usage. We also recommend that additional information be included that further

explains the claims and benefits conveyed with SREC ownership, and those which are relinquished (cannot be claimed) if RECs are owned by the Lessor, Provider, or other party that is not the solar customer.

Our suggested changes to the SREC disclosure language are provided below (suggested changes underlined).

Solar renewable energy certificates (SRECs) are used to track ownership of clean energy generation from solar resources. An SREC is created whenever renewable electricity is generated at a solar facility. SRECs can be sold separately from the electricity produced by a facility and whoever owns the SRECs can claim to be using renewable, solar energy.

Any SRECs from producing renewable solar energy with the leased system WILL WILL NOT be owned by the [Lessor/Provider].

If you will not own the SRECs (i.e. SRECs are owned by the [Lessor/Provider]), then you will not receive renewable energy and cannot claim to be using renewable energy from this system. Rather, [Lessor/Provider] may sell the SRECs to a third party who may claim clean, green or renewable energy based on its purchase of SRECs from the [leased] system or SRECs may be used by energy suppliers to demonstrate compliance with state requirements and effectively delivered to the collective electricity customers of the supplier. The right to make claims about renewable energy use from the facility belongs exclusively to the owner of the SRECs.

Comments on NJCEP Solar Financing Options Website draft content

1. We recommend that a simple SREC description and explanation of SREC ownership also be prominently provided on the Solar Financing Options website, and not be relegated to a footnote.

Our suggested language is provided below. We recommend the current footnote describing SRECs be removed.

Solar renewable energy certificates (SRECs) are used to track ownership of clean energy generation from solar resources. An SREC is created whenever renewable electricity is generated at a solar facility. SRECs can be sold separately from the electricity produced by a facility and whoever owns the SRECs can claim to be using renewable, solar energy.

The right to make claims about renewable energy use from the facility belongs exclusively to the owner of the SRECs. If you will not own the SRECs as a result of your solar agreement, then you will not receive renewable energy and cannot claim to be using renewable energy from this system. Rather, the SRECs may be sold to a third party who may claim clean, green or renewable energy based on its purchase of SRECs from the system or the SRECs may be used by energy suppliers to demonstrate compliance with state requirements and effectively delivered to the collective electricity customers of the supplier.

2. Website content must be careful not to state or imply that homeowners and residential customers can easily sell SRECs associated with owned, leased, or non-owned systems after initial contract.

There may or may not be any secondary market for SRECs from homeowners. Rather, the primary value of SRECs to residential consumers is the renewable energy claim, including a claim that their renewable energy is surplus to what is required by regulation. They may receive some cost savings by relinquishing the SRECs, but this occurs at the initial point of sale/initiation of contract, and should be distinguished from actively selling SRECs throughout the life of the system.

3. We recommend adding more information about the effect of SREC ownership in the advantages listed in the Solar Loans section.

Specifically, we recommend the following changes (suggested changes underlined).

*Homeowner eligible to receive Solar Renewable Energy Credits (SRECs), **which ~~can be sold~~ allow them to reduce their carbon footprint and support renewable energy beyond state requirements. Alternatively, the homeowner can relinquish the SRECs and therefore not be using renewable energy in exchange for potential cost savings.*

Please let me know if we can provide any further information or answer any other questions.

Sincerely,



Todd Jones
Senior Manager, Policy and Climate Change Programs