CRS center for resource solutions

September 19, 2017

Geri D. Huser, Chair
Iowa Utilities Board
1375 E. Court Avenue, Room 69
Des Moines, Iowa 50319-0069

Docket No. RMU-2017-0002: Comments of Center for Resource Solutions (CRS) Following up on the September 7 Workshop on the Iowa Utilities Board (IUB) Renewable Energy Percentage Verification

Ms. Huser:

CRS appreciates this opportunity to submit follow up comments in response to the September 7 Workshop on Renewable Energy Percentage Verification. The intent of these comments is primarily to reiterate our previous written and oral comments. Although CRS is not an official intervenor, we do have significant expertise in this area, and we hope the IUB finds our perspectives helpful.

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. CRS has broad expertise in renewable energy policy design and implementation, electricity product disclosures and consumer protection, and greenhouse gas (GHG) reporting and accounting. 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.

As explained in further detail in our previous comments, CRS supports the use of verified Renewable Energy Certificates (RECs) to account for the delivery and consumption of renewable energy, regardless of whether the RECs were exclusively procured through "bundled" transactions where the REC and MWh were never disaggregated. For reference, the Green-e Renewable Energy Standard for the United States and Canada[1] states that a renewable energy product may be classified as "bundled electricity" as long as the supplier is sourcing RECs and electricity from within the following geographic boundaries:

a) *The single state where all of the product's customers are located; and/or an adjacent state where the electricity, bundled with a REC, is wheeled into the respective state of the customer being served; or*

b) *One or more of the following: The North American Electric Reliability Corporation (NERC) region, Independent System Operator (ISO), Regional Transmission Organization (RTO) or Balancing Authority Area of the customer being served; customer's regulated electric service territory; and/or an adjacent NERC, ISO, RTO or Balancing Authority Area where the electricity, bundled with a REC, is wheeled into the respective region of the customer being served.*

[1] Green-e Renewable Energy Standard for the United States and Canada. (2017). Available at: https://www.green-e.org/programs/energy/documents.

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It is for this reason that REC arbitrage, as described in Section 30.2(3)-b, should not necessarily affect renewable energy claims, especially if the RECs being interchanged are sourced from the same resource type and geographic area, for example as described above. Further, the Federal Trade Commission *Guides for the Use of Environmental Marketing Claims*[2] state that renewable energy usage claims should be associated with the matching of electricity use with RECs and provide no restrictions based on whether those RECs were procured through bundled or unbundled transactions. CRS recommends that the IUB consider the relevant FTC guidelines when advising utilities and their customers on renewable energy usage claims, for example in Section 30.4 of this rule.

If the intent of this rule is to restrict the verified renewable energy percentage to that which is generated within Iowa, this could be accomplished through differentiation based on where RECs were generated rather than how they were purchased. If the IUB does decide to exclude unbundled RECs purchased by utilities from this verification process, then CRS recommends that this be accurately disclosed to customers, especially in regard to their ability to make renewable energy usage claims. This is important, for example, because in a scenario where the verified renewable energy percentage were to exclude unbundled RECs, and a utility nonetheless purchased unbundled RECs in surplus to what it had procured through bundled contracts, then end users could technically claim a greater percentage of renewable energy usage than that which was verified by the IUB.

CRS would also like to reiterate that the Green-e Energy certification program has a long history of verifying renewable energy products, as well as providing guidance on making accurate renewable energy claims. In fact, both Alliant and MidAmerican have active contracts with Green-e to certify voluntary renewable energy and REC transactions with their customers. CRS would be happy to work with Iowa utilities to verify these renewable energy claims through the Green-e Energy certification program, and/or to work more closely with the IUB to ensure that the verification processes and claims guidance established under this rule meet industry best practices.

CRS greatly appreciates the chance to continue participating in this dialogue, and should it be helpful, we would be happy to provide additional clarification and explanation of the positions outlined above.

Respectfully submitted,

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[2] US Federal Trade Commission (FTC). (2012). *Guides for the Use of Environmental Marketing Claims; Final Rule*. Sec. 260.15. Available at: https://www.ftc.gov/sites/default/files/documents/federal_register_notices/guides-use-environmental-marketing-claims-green-guides/greenguidesfrn.pdf.