



September 13, 2019

Chairman Frank Pallone, Jr. and Ranking Member Greg Walden
Energy & Commerce Committee
2125 Rayburn House Office Building
Washington, DC 20515

RE: Request for input on approaches to achieve a 100 percent clean economy by 2050

Chairman Pallone and Ranking Member Walden:

Center for Resource Solutions (CRS) appreciates the opportunity to provide responses to the questions distributed by the Committee on Energy and Commerce on August 27, 2019 regarding approaches to achieve a 100 percent clean economy by 2050.

CRS is a non-profit working to advance sustainable energy through policy and voluntary action. As such, CRS supports the development of federal legislation to decarbonize the economy. However, the voluntary renewable energy market is a significant driver of investments in low-carbon energy today, and policies put in place to reduce emissions should not create an environment where individuals and companies are disincentivized to continue to procure renewable energy voluntarily. Our responses below are limited to the proposal of mechanisms to protect voluntary and corporate renewable energy demand, purchasing, and emissions benefits under any potential regulation of greenhouse gas (GHG) emissions.

Responses:

5. If applicable, what actions has your organization already taken, or do you plan to take, to reduce carbon pollution?

Many businesses and individuals voluntarily purchase renewable energy in excess of state renewable energy mandates to meet their own carbon reduction goals. According to NREL's Status and Trends in the U.S. Voluntary Green Power Market:2017 Data (available here: <https://www.nrel.gov/docs/fy19osti/72204.pdf>) in 2017, about 5.5 million retail electricity customers procured about 112 million MWh of green power, representing about 26 percent of all U.S. renewable energy sales. These purchases provide important GHG emissions benefits across the country by leveraging private investment to reduce the environmental and health impacts of electricity generation. The voluntary renewable energy market allows the economy to reduce air pollution and other environmental impacts at lower costs, and often at a more rapid pace than would be possible under a regulatory framework alone. It also creates more jobs in clean energy development in the U.S. as well as in supportive industries, including jobs in marketing and sales, consulting, asset management, market analysis, and information technology.

6. What have been the challenges or barriers to making meaningful carbon pollution reductions, and how have you responded to those challenges or barriers?

In some states, GHG regulations in the power sector have had the unintended consequence of reducing the impact of voluntarily renewable energy and shifting the costs of compliance away from regulated entities and onto those taking voluntary action.

For example, in the Regional Greenhouse Gas Initiative (RGGI) participating states require electric generating units (EGUs) to purchase allowances equal to their total CO₂ emissions. When more renewable energy is brought into these states, traditional high-emitting power plants operate less and therefore have to purchase fewer allowance to comply with the

regulation. If the renewable energy is owned by voluntary purchasers, the effect is that (1) voluntary purchasers are paying for the regulated EGUs compliance and (2) voluntary purchasers are not able to show that their investment is making a difference. To combat this, most RGGI states have implemented a voluntary allowance set aside mechanism, which allows purchasers of renewable energy to reduce the pool of allowances available for compliance. This simple policy preserves voluntary renewable energy purchasers' ability to support renewable energy that reduces emissions beyond what would have happened anyways and keeps regulated entities responsible for reducing emissions.

7. **How can the Federal Government assist you in reducing carbon pollution?**

Potential federal climate legislation can prevent decreases in voluntary demand and support privately funded emissions reductions beyond compliance targets by including cost-effective regulatory mechanisms to reduce regulatory targets on behalf of the voluntary renewable energy market.

Policies like the voluntary renewable energy set aside in RGGI are critical to maintain voluntary demand for green energy. These policies should be a part of any federal GHG emission reduction legislation. We have attached a guide for state policy-makers addressing policy mechanism recommendations that support the voluntary renewable energy market (also available at: <https://resource-solutions.org/wp-content/uploads/2017/10/Corporate-and-Voluntary-RE-in-State-GHG-Policy.pdf>) as well as a shorter fact sheet on voluntary renewable energy set asides under cap and trade programs (also available at: <https://resource-solutions.org/wp-content/uploads/2017/11/Voluntary-RE-Fact-Sheet.pdf>) to this response. Although designed for states, both are relevant to federal legislation as well. We encourage the Committee to include these resources in its research.

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

Sincerely,



Peggy Kellen
Director, Policy

Background on CRS and Green-e®

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 program design and implementation, and provides technical guidance to policymakers and regulators at different levels on matters related to policy design, renewable energy accounting, tracking and verification, market interactions, and disclosures and consumer protection. CRS also administers the Green-e programs. Green-e is the leading independent certification for voluntary renewable electricity products in North America. For over 20 years, Green-e's verification procedures have ensured that voluntary purchasers of renewable electricity products receive clear and accurate information from their providers and the full environmental benefits and sole ownership of each megawatt-hour (MWh) purchased. CRS, with oversight by the independent Green-e Governance Board, maintains a stakeholder-driven standard development process. In 2017, Green-e certified retail sales of over 60 million MWh, serving over 1.1 million retail purchasers of Green-e certified renewable energy, including 63,400 businesses. See the 2017 Green-e Verification Report here for more information: <https://resource-solutions.org/g2017/>