

GUIDELINES FOR RENEWABLE ENERGY CLAIMS

Guidance For Consumers and Electricity Providers

Updated December 1, 2021

Consumer Guidelines

Homes and businesses that generate onsite renewable electricity—from a rooftop solar photovoltaic system, for example—can claim the renewable electricity their system generates only if they are retaining the renewable energy certificates (RECs) created by the system. A REC is generated with each megawatt-hour (MWh) of renewable electricity generated. REC ownership is usually determined by the contract between the system owner and the owner of the facility the system is mounted on, which means that the owner of the house or building might not own the renewable electricity.

Even if you have solar panels on your house, you must retain the RECs to use the renewable electricity generated on the property. If you sell the REC, you lose the right to say you are using renewable electricity. Facility owners are encouraged to review their contracts for words like “renewable attributes” or “non-power attributes”.

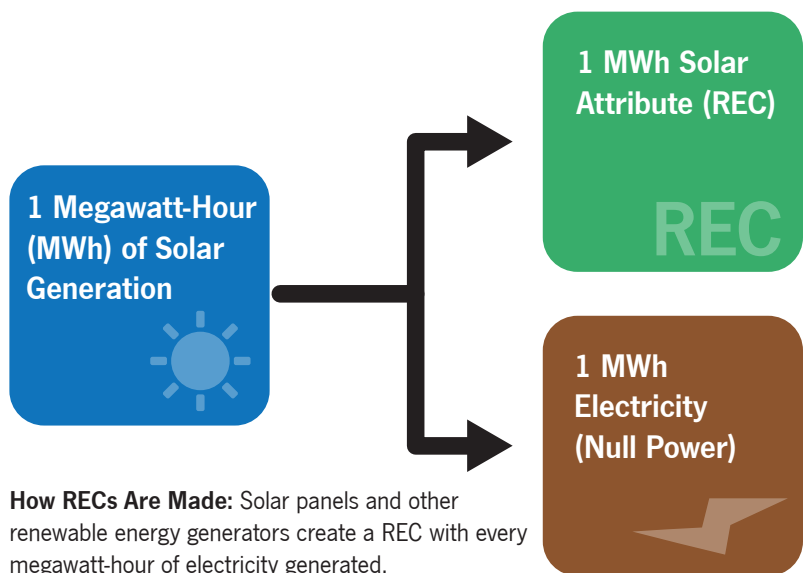
What can you say about your solar panels if you do not own the RECs?

- “We generate renewable electricity and sell the RECs to our utility.”
- “We generate renewable electricity, but sell all of it to others.”
- “We installed solar panels, but sell the renewable attributes to others.”

Even if you have invested in renewable electricity generation by installing solar panels on your roof, you are still restricted in the public claims you can make if you sold the RECs to the installer or another party. In many cases, installers sell

them to the local utility, which then adds those RECs to its portfolio. The guidance for these claims comes from several sources:

- **Federal government.** The U.S. Federal Trade Commission issued guidance about practices that may constitute false advertising—a violation of federal law—in its Guides for the Use of Environmental Marketing Claims.
- **State governments.** Many states have adopted similar guidelines and laws. These laws require the RECs to be retained if a renewable energy claim is made.
- **Your contract with the solar installer.** Your contract, which states the REC was transferred to another party, is likely to strictly prohibit you from making statements about using renewable electricity, or even implying that you are using renewable electricity as this may constitute a claim on the REC.



How RECs Are Made: Solar panels and other renewable energy generators create a REC with every megawatt-hour of electricity generated.

If you purchase RECs from a solar facility, you can claim renewable electricity for yourself, and that you are going above and beyond the amount of renewable electricity you are receiving by default from your electricity provider. You and only you may claim to use that renewable electricity. You may make statements like:

- “I use solar power.”
- “I use x% solar power.”
- “I match 100% of my electricity use with solar RECs.”

Electricity Provider Guidelines

It is important for electricity providers to provide accurate information to their customers about REC ownership.

For those providers offering customers the opportunity to participate in a community solar project, for example, customers should understand they might not be using renewable electricity generated from that facility if the RECs are being retained for compliance with a statewide renewable portfolio standard or resold. If the provider keeps all of the RECs generated by the project, the program could market itself with the following statements:

- New flat-rate program enables customers to sell solar power back to the utility.

- Do your part to help Utility X meet the state’s renewable energy goals.

If the provider is keeping the RECs, it cannot use phrases like: “This solar program allows you to sell excess generation back to the utility, go solar and enroll today.” This statement implies that the customer is getting the benefit of using the renewable electricity.

It is important to be clear not only in the customer’s contract, but also in the advertising of the program. Customers should be able to see the mix of resources that is being delivered to them. This mix often differs from the fuel mix or generation mix. This delivery information should be displayed prominently, preferably as an easy-to-read pie chart or similar graphical representation. All RECs associated with reported delivered resources should be retired and should not be banked for a later year or sold.

Electricity providers that collect RECs from customers with onsite solar and sell the RECs to customers in a green pricing program should educate all their customers about the relationship between the programs. They should reiterate that only customers who purchase RECs through the green pricing program are using renewable electricity.

For more information about solar claims for consumers or electricity providers, see www.green-e.org/learn.

REC Best Practices

1. Be clear in your contracts and power purchase agreements: who owns the RECs? Be specific and accurate about REC ownership and renewable energy claims.
2. If you are making a claim about using renewable electricity, make sure you own and retire the RECs.
3. Use electronic REC tracking systems if possible.
4. Educate owners of solar panels about what types of claims they can make, whether they are keeping the RECs or selling them to another party.
5. If you don’t own the RECs, don’t make public claims about using renewable electricity.
6. Get your sales and/or claims independently certified through one of the Green-e® Programs.