

Developing Minimum National Standards for Green Power Marketing

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GREEN-E RENEWABLE ENERGY CERTIFICATION PROGRAM

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Presentation Overview

- **Why green power standards are needed**
- **Review difference in quality among green power products**
- **Define issues that represent national minimum criteria for green power marketing**
- **Green-e's success, challenges, and lessons learned in 6 years of influencing the market**

Center for Resource Solutions

CRS sponsors national and international programs that support the increased supply and use of renewable energy resources.

- 90% financial support through foundation and government grants
- Leading organization on green power certification (Green-e) 
- The Green-e program promotes product quality, consumer confidence and best practices in green power marketing

Green Power Marketing In Context

1. Economic Decisions Add New Renewables To Utility Portfolio
2. Policies Add New Renewables To Achieve Public Good
 1. In 1 & 2, all rate payers receive the benefits and share the costs.
3. Voluntary Green Power Markets
 - Provide voluntary options for customers to support levels of renewables above 1 & 2.
 - Not a substitute for 1 & 2.

Basic Test for Green Power Marketing

1. Purchase is additional to renewables paid for through electric rates and required by mandates
2. Purchase increases demand & supply of new renewables
3. Renewables meet widespread stakeholder approval
4. Agree to sell renewable energy only once
5. Verification audit of resource and marketing claims
6. Provide prospective product content label and annual historic product content data to customers
7. Not overstate the environmental attributes of product or use misleading advertising
8. Give customers contract terms, pricing and termination fees in simple format

Why Green Power Standards?

- **Consumers Typically Ask:**
 - How do I know what “green” power is?
 - How do I know I’m getting what I pay for?
 - How do I compare green power options in terms of environmental value and price?
 - Does my purchase make a difference?
- **Green Power Standards Address:**
 - Environmental impact
 - Ethical behavior and consumer protection
 - Compatibility with public policies

Not All Green Power Products Are Created Equally

- Higher Quality Products

- Use of 100% or a high % of new renewables
- Disclosure of comparative fuel sources prospectively
- Disclosure of price, terms, and conditions
- Effective and accurate marketing
- Endorsement from stakeholders

The “Green Bar”

- Lower Quality Products

- Renewable generation years before/after payment
- Use of rate-based or RPS renewables
- Full subscription and waiting lists for small “PR” programs
- Use of large hydro, fossil fuels, & renewables w/ less appeal
- Capacity-based solar or “small potatoes” programs e.g. contribution programs
- High premiums



Buyer Beware!

- NREL lists details of 76 utility green pricing programs. As of Dec 2002:
 - 19 have developed 0 kW of new renewables
 - 37 (about half) have developed less than 500 kW

What is the Mission of Green-e?

1. Bolster customer **confidence** in renewable energy products.
2. Expand retail market for renewable energy, including expanding **demand** for new generation.
3. Provide customers clear **information** about retail “green” energy to enable them to make informed purchasing decisions.
4. Encourage sale of renewable energy products that minimize air pollution and **reduce** greenhouse gas **emissions**.

What Does Green-e Do?



- Sets minimum environmental and consumer protection criteria for renewable energy products
- Sets standards in competitive, monopoly, and national green tag (TRC) markets
- Independent, third party certification of renewable electricity products and certificates
- Conducts annual verification audits
- Conducts renewable education campaigns

Green-e Certification Standards

generally include:

Green-e Eligible Renewables:

- **Wind & Solar**
- **Small or Low Impact Hydro**
- **Biomass & Landfill Gas**
- **Geothermal**

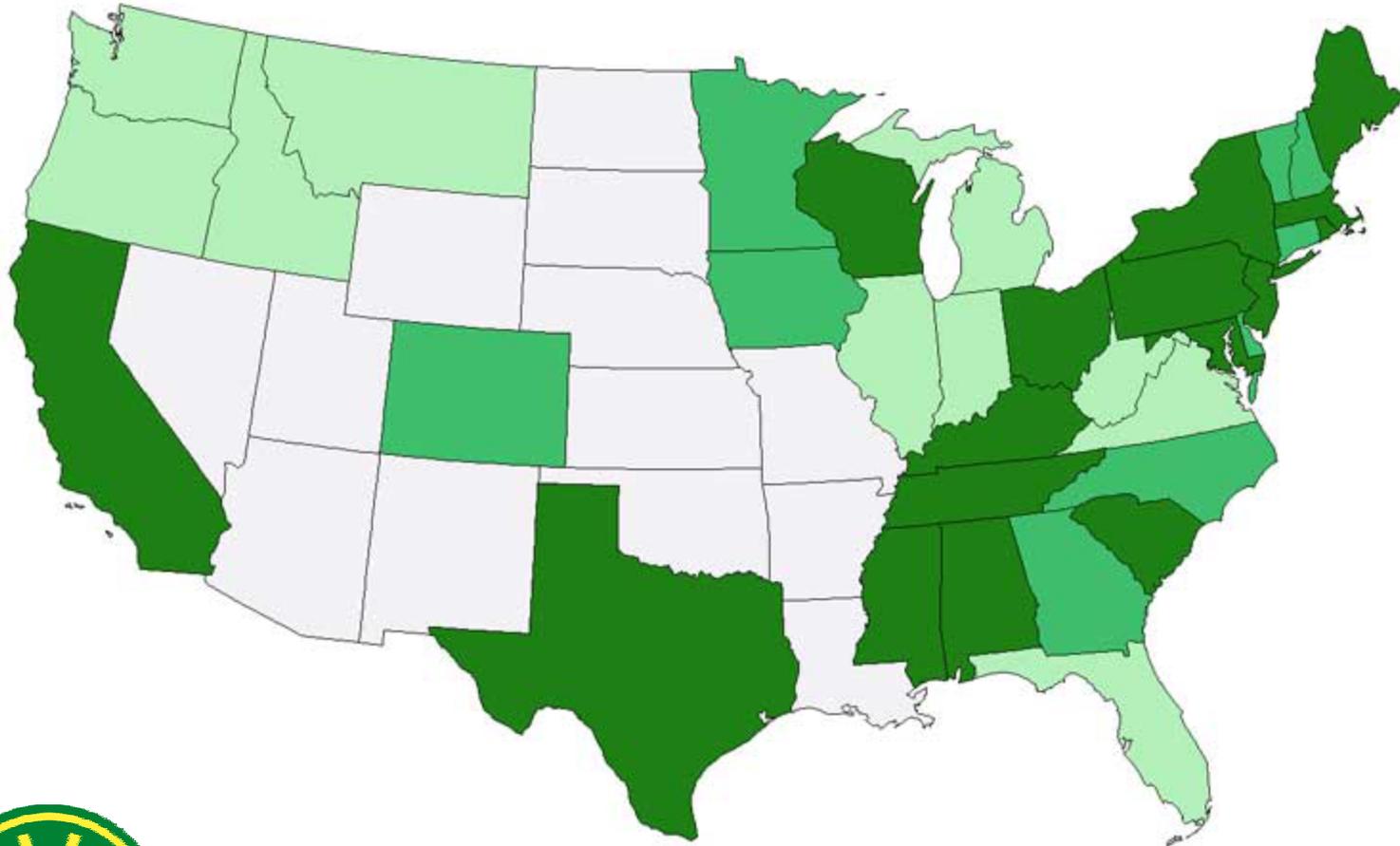
Not Eligible:

- MSW incineration
- Tire incineration
- Fuel cells unless fueled by renewables
- Energy efficiency
- Waste heat

- **100% NEW Renewables or min % NEW**
 - **Fully aggregated / bundled attributes**
 - **Grid connected**
 - **Minimum block size of 100-200 kWh or more per month**
 - **Above and beyond State RPS mandated renewables**
 - **Active marketing for green pricing**
 - **Only sold once / no double claims**
 - **Consumer disclosure of fuel source, generation location, pricing and terms**
- Green-e Standards available on line at www.green-e.org***



Green-e Electricity Standards by State



-  Certified/Accredited Green Power Products
-  Electricity Standard in Place
-  Electricity Standard in Development

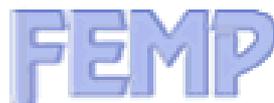
Tradable Renewable Certificate (TRC) Certification Available Nationwide

Suppliers of Green-e Certified Products

- 57 certified renewable energy products
- 95 participating marketers and utilities serving over 22% of US electricity customers and 100% have access to TRCs
- Nationwide, 110,000 households and 10,000 businesses purchase Green-e certified electricity products.



National Recognition & Partnerships



- **The U.S. Green Building Council L.E.E.D. Certification**
- **U.S. EPA Green Power Partnership**
- **Federal Energy Management Program**
- **State Green Power Procurements (MD, NJ)**

Green-e Success to Date

- Majority of competitive market Green-e certified
- Of the 20 TRC marketers, 17 offer at least one Green-e certified product
- 2/3 states have standard or one in development
- Many companies, states and federal agencies basing procurement and incentives on Green-e
- 1.5 billion kwh renewable supply certified in 2002
- Improving the accuracy of marketing materials

Green-e Challenges to Date

- Utilities less likely to meet Green-e standards
- Standards developed in some states have yet to be used
- Market size still small and certification fees a barrier to some
- Voluntary nature of program

Green-e Lessons Learned

- 1. *Green-e is still relevant***
 - Product quality ranges widely.
- 2. *Green-e influences certified & non-certified products***
 - Voluntary standards are influencing the whole market.
- 3. *Majority of demand from minority of products***
 - Emphasis should be quality over quantity.
- 4. *One size does not fit all. Regional variation is needed.***
 - Each market is unique with different levels of resource availability and stakeholder concerns.
- 5. *Green-e minimum nation standards still relevant***
 - There is a patchwork of disclosure and marketing rules and many states lack any specific rules.

Green Power Resources

- Green-e Standards and Product Lists:
www.green-e.org, www.resource-solutions.org, (888) 63-GREEN
- Regulators Handbook on TRCs
www.resource-solutions.org/RegulatorHandbook.htm
- Green Power Network
www.eere.energy.gov/greenpower
- EPA Green Power Partnership
www.epa.gov/greenpower