



California Wind Energy Association

March 31, 2015

Kristie Sharp, Chair
WREGIS Stakeholder Advisory Committee
WECC
155 North West, Suite 200
Salt Lake City, Utah 84103-1114

RE: ODOE Proposal to Change Data Standards Prescribed By WREGIS Operating Rules, Section 9.3.3

Dear Chair Sharp:

In a separate letter, the California Wind Energy Association (CalWEA) joined the Independent Energy Producers Association along with several other trade associations representing renewable energy interests in opposing proposed rule changes that the WREGIS Stakeholder Advisory Committee (SAC) is considering. These proposed changes would enable the creation and tracking of WREGIS Renewable Energy Certificates (RECs) from renewable resources lacking sufficient metering to qualify for registration under WREGIS Operating Rules. The March 31, 2015, IEP et al. letter expressed concerns that the proposal submitted by the Oregon Department of Energy (ODOE) would weaken the stringent metering standards that WREGIS has established to ensure the integrity of the RECs that it certifies and tracks.

CalWEA, a trade organization representing wind energy businesses focused on the California market, wishes to express additional concerns about the ODOE proposal and the precedent it would set. We encourage the SAC to carefully consider the unique potential for double-counting RECs associated with customer-sited renewables (those unlikely to meet WREGIS's metering standards). Along with verifying renewable energy production, a primary purpose of WREGIS's accounting system is to prevent the double-counting of RECs.

In its 2010 "Best Practices in Public Claims for Solar Photovoltaic Systems,"¹ the Center for Resource Solutions (CRS) – sponsor of the Green-e consumer protection program -- notes that "most people are motivated to pay for a PV system because they want to use renewable electricity in their home and don't want their electricity consumption to cause pollution and emissions of greenhouse gases." CRS posits the argument that, when state law is silent on ownership of a REC, the owner of the PV system has the right to the REC because of this primary motivation for installing PV. CRS states, however, that until states

¹ Available at: <http://www.green-e.org/docs/energy/Solar%20FAQ%20and%20Claims.pdf>.

clearly define REC ownership, one must look to specific language within contracts to determine REC ownership. CRS advises that, when the PV seller retains the RECs, the seller should explicitly state that the system owner, and not the PV host, owns the RECs and ensure that the host understands that they cannot and should not make any claims or statements about the use of renewable electricity from the system, or even stand by silently when renewable energy use is assumed.

The Federal Trade Commission's 2012 "Green Guides" also caution against making claims regarding solar panels when the associated RECs have been sold. In an example, the FTC states that a manufacturer with panels on its roof should not advertise that it "hosts" a renewable power facility because reasonable consumers likely interpret this claim to mean that the manufacturer uses renewable energy. The FTC states that it would not be deceptive for the manufacturer to advertise, "We generate renewable energy, but sell all of it to others."²

It is clear that advertising claims have not, at least in the past, met the above standards. A solar advocacy group writes, for example, that, where RECs have been sold to the local utility to improve a solar system's payback,

most marketers know that Business X can't claim to be solar powered. Only the utility now gets to make that claim or else it would be double counting. Instead, we've all gotten used to finding ... creative ways to talk about the business's solar efforts, typically by discretely calling the business a "solar system host" or "solar generator" and then moving on with the glorious details of the array and its many environmental benefits. No longer. The FTC's consumer perception research suggests that these kinds of claims can be misleading to consumers.³

The "Energy Trust REC Process Documentation" provided to WREGIS by ODOE states that Energy Trust "has contractual ownership of RECs for specific time periods from solar photovoltaic generating units that receive incentives via Energy Trust's Solar Program," but it does not indicate what advertising claims were made, whether program participants have been educated about the fact that they do not own the RECs, and whether participants were informed that they should make no claims about using solar energy. Nor does it appear that the program gave consumers any choice in the matter of whether or not they wished to retain their RECs. Thus, it is not at all clear that claims have not already been made regarding the RECs associated with Energy Trust's program. Were WREGIS to certify

² U.S. Federal Trade Commission, *Guides for the Use of Environmental Marketing Claims* (16 CFR Part 260), October 11, 2012. Available at: <https://www.ftc.gov/news-events/press-releases/2012/10/ftc-issues-revised-green-guides>.

³ Rosalind Jackson, "Don't get left in the dark when it comes to your solar marketing claims," June 17, 2011. Available at: <http://votesolar.org/2011/06/17/dont-get-left-it-the-dark-when-it-comes-to-your-solar-marketing-claims/>.

these RECs, or RECs from other aggregated sources of this nature, they will presumably be sold and claimed again.

Given these complications inherent to customer-sited renewables, the SAC should carefully consider further steps that may be necessary to ensure that purchasers of WREGIS-verified RECs from customer-sited resources across the WECC can have confidence that the RECs are not being double-counted.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy Rader". The signature is fluid and cursive, with the first name "Nancy" being more prominent than the last name "Rader".

Nancy Rader
Executive Director

cc Andrea Coon, Executive Director, WREGIS
 David Branchcomb, Generator Representative, WREGIS Stakeholder Advisory
 Committee
