

# Center for Resource Solutions Green Power Consumer Rights

*For an Educated and Informed Customer of Environmentally Preferable Electricity*

## **PREAMBLE**

When a business, institution, or individual customer buys a renewable electricity-based product, they have the right to be confident that they are taking a practical step towards a cleaner and more sustainable energy economy. Purchase of such “green” power<sup>1</sup> provides both public and private benefits. Customers have a right to be informed about what they can expect from their renewable energy product purchases. This ensures that every customer receives the benefits they are paying for and expecting.

Ensuring that your renewable energy product is Green-e certified is the single best and most reliable way you can protect and guarantee your rights as a green power customer. With Green-e certification comes the assurance that you will receive the benefits you paid for and produce the positive results you intended.

## **COMMON CONSUMER QUESTIONS & ANSWERS**

**Q: What information should I get about a renewable electricity-based product I am purchasing?**

**A:** The customer has the right to be fully informed about the renewable electricity-based product they are purchasing and their renewable energy vendor.

***Consumer Tip:** A helpful resource is the *Guide to Purchasing Green Power*, available at: [www.resource-solutions.org/Library/Library-DomesticUSpage.htm](http://www.resource-solutions.org/Library/Library-DomesticUSpage.htm).*

**Q: Should I be able to get information in advance about the price, terms and conditions for purchasing this renewable power?**

**A:** Yes. Every renewable energy product buyer has a right to clear, complete and easily understood information about contract pricing, terms, and conditions—before they buy. Suppliers of Green-e certified products commit to providing this information and this information is reviewed by Green-e program staff.

***Consumer Tip:** See the *Guidelines for Minimum Criteria for Contract Pricing, Terms and Conditions* in Appendix A to this document.*

**Q: How will I know if this renewable electricity product is as clean or cleaner than the power I would otherwise receive from my utility?**

**A:** The customer has the right to receive a prospective disclosure statement—*before they buy*—that lists the fuel sources in the product being marketed that can be easily compared to the historical energy generation facts for the electricity they are currently buying. Suppliers of

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<sup>1</sup> Power or attributes from solar, wind, geothermal, low-impact hydro, and biomass electricity.

Green-e certified products commit to providing this information and this information is reviewed by Green-e program staff.

The prospective fuel source disclosure statement should be provided in all product-specific marketing materials, before subscribing a customer and no less than once per year thereafter. The customer has the right to receive a historic disclosure statement that lists the fuel sources that were actually purchased and delivered to the national or regional electric grid on the customer's behalf. At a minimum, both disclosures should include: the type of renewable resources supplied, the geographic location of the renewable generation, the quantity of renewable resources supplied (kWh or MWh), comparative fuel mix information for the electricity currently serving the customer's area, the quantity of new renewable resources provided, and contact information for any applicable certification and verification body.

***Consumer Tip:*** *A Sample Fuel Source Disclosure Label as required for Green-e certification can be found in Appendix B.*

**Q: ARE THE ENVIRONMENTAL BENEFITS ASSOCIATED WITH RENEWABLE ENERGY GENERATION PART OF MY PURCHASE WHEN I BUY A RENEWABLE ENERGY-BASED PRODUCT?**

**A:** As a matter of basic principle, a customer who buys a renewable energy based product has the right to receive all the environmental attributes associated with or resulting from the generation of the renewable energy that the product is based upon. In some cases, such as when law or regulation associated with cap and trade programs allocates certain benefits to other parties (such as SO<sub>x</sub> and NO<sub>x</sub> credit schemes), these attributes may be separately disposed of—disaggregated—and they do not transfer to the customer. In other cases, these attributes have been disaggregated by the seller or other actor in the value chain. In the event that any attributes are disaggregated for any reason, a customer has a right to clear, complete and easy to understand information about the disaggregation of those attributes.

The Green-e certification program requires that all legally available attributes associated with the production of renewable energy based products are sold with the green power product, or permanently retired on behalf of the customer, in order for the product to be “certified.”

*It is important for customers to understand that without verification of ownership or retirement on their behalf, customers can make no claims about environmental benefits associated with generation of the renewable energy they have purchased, including but not limited to greenhouse gas or other emissions reductions.*

***Consumer Tip:*** *Buy Green-e certified products or get an assurance of renewable attribute ownership and title transfer, or retirement in writing or through verification by a qualified third party.*

**Q:** How can I know the renewable power or renewable certificates haven't been already claimed by someone else?

**A:** The customer has the right to receive written assurance that the green power they are purchasing has not been double sold or claimed by anyone else. This includes assurance that the renewable energy attributes or the electricity that was generated with the attributes was not used by any party to meet any federal, state or local renewable energy requirement, renewable energy procurement, renewable portfolio standard, or other renewable energy

mandate. Green-e certification and verification systems ensure that green power and product attributes have not been double sold or claimed by someone else.

***Consumer Tip:*** Buy Green-e certified products or get an assurance in writing that the green power and environmental attributes you purchase will not be double-counted or sold to another party or that verification of this assertion is part of a qualified third party verification protocol.

**Q: How can I be sure that any environmental or other marketing claims are accurate?**

**A:** The customer has the right to receive marketing materials in which all environmental and other marketing claims are accurate and consistent with application guidelines like the Federal Trade Commission's Environmental Marketing Guidelines and the National Association of Attorneys General (NAAG) *Marketing Guidelines for Electricity*. The Green-e certification and verification programs reviews product claims to ensure that environmental and other marketing claims are reliable and accurate. Such claims must:

- Be factual and objectively verifiable;
- Be clear and prominent to prevent deception;
- Not represent that customers are actually delivered electrons from specific generation facilities;
- Present comparative claims in a manner that makes the basis for the comparison sufficiently clear to avoid customer deception; and
- Not overstate environmental attributes or benefits, expressly or by implication.

***Consumer Tip:*** The Green-e certification and verification program reviews marketing materials for consistency with NAAG Guidelines to protect customers from inaccurate marketing claims.

**Q: Is it possible to be sure that the money I am spending on renewables results in some new renewable facilities actually being built?**

**A:** Yes. A customer who wants to support the construction of new renewable energy facilities should have a clear understanding of how and whether their green power purchase has this effect. CRS believes that this is a major reason customers want to support green power and therefore requires a substantial new renewable resources component in every Green-e certified product. We agree with these customers that the purchase of new renewables is important to increasing the supply of renewable generation. All green power providers should therefore expressly inform customers about the amount of renewable resources contained in the product and what portion of those renewables are from newly-built facilities. "New" means that the generating facility was built for retail green power markets, and generally describes facilities that began generating electricity in 1997 or later. For Green-e certified products, the energy itself must have been generated within 18 months of the date it was purchased.

***Consumer Tip:*** Minimum standards may vary by type of product and region. Green-e ensures that all certified Renewable Energy Certificates and Green Pricing Products are from 100% new renewables and that Competitive Electricity Products meet regional minimum new renewable requirements. For examples of minimum standards visit [www.green-e.org](http://www.green-e.org).

**Q: ELECTRICITY IS SUCH AN INTANGIBLE PRODUCT, HOW DO I KNOW I AM GETTING WHAT I AM PAYING FOR?**

**A:** The customer has the right to purchase a renewable power product that is independently certified and verified by a reputable third party. Green-e certification and verification ensures

this result. Third party certification and verification programs are designed to ensure that renewable power products meet strict environmental and consumer protection standards and that customers receive what they pay for.

***Consumer Tip:*** Choose Green-e certification or other third party certification that features a verification process with common substantiation methods. Common features of third party verification processes are listed in Appendix C.

**Q: How do I know what the certification body is actually certifying and verifying?**

**A:** The customer has the right to be fully informed about the certification standards and verification process being used by a certification body being used by an energy provider. This information should be easily understood and include a web site and toll-free number where the customer can confirm if:

- Verification is performed by an independent third party and not by a power provider or certificate marketer.
- The certification standard and verification method is publicly available and readily accessible.
- The organization performing the third party verification has an enforcement procedure that is followed in the event of non-compliance.

***Consumer Tip:*** Visit the certification body's web site to review this information. The Green-e certification website at [www.green-e.org](http://www.green-e.org) has clear information about the Green-e program.

**Q: What if I have a question or problems after I have made my purchase?**

**A:** The customer has the right to reliable customer service including accurate and quick responses to common consumer questions.

***Consumer Tip:*** Marketers of Green-e certified products undergo an annual spot-check of customer service. Green-e staff anonymously call the call center of companies that market Green-e certified products every year and ask questions to ensure the call center is providing accurate information to customers.

## Appendix A: Guidelines for Minimum Criteria for Contract Pricing, Terms and Conditions

A summary of primary contract terms and provisions should be provided to new customers so they have information to make an informed decision. This information should include, at a minimum:

- Name of the Company and/or joint venture partners with whom the customer is contracting (if a subsidiary or joint venture, list name of parent company).
- Company customer service contact information, including customer service number, company billing address and email or Web site, if available.
- Duration of the contract (contract length in months/years).
- The proposed rate structure, including fixed and variable charges and taxes.
- Price volatility or other price, environmental, or availability risks associated with the product.
- A prospective fuel source disclosure statement indicating the percentage of the energy portfolio that will be supplied by various resources.
- The obligations and charges associated with terminating the contract or changing from the current portfolio.
- Information on how the customer will be billed.

An example *Summary of Contract, Price, Terms, and Conditions* can be found at: [www.green-e.org/ipp/vprocess.html](http://www.green-e.org/ipp/vprocess.html)

**APPENDIX B: SAMPLE PRODUCT CONTENT LABEL FOR RENEWABLE ELECTRICITY SOLD IN MASSACHUSETTS**

<b>PRODUCT CONTENT LABEL</b>		
<b>Energy Resources in {PRODUCT NAME}<sup>1</sup></b>		<b>Generation Location</b>
<b>Eligible Renewable</b>	<b>100%</b>	New England or State
<b>New<sup>2</sup> Wind</b>	<b>50%</b>	New England or State
<b>Eligible hydroelectric<sup>3</sup></b>	<b>25%</b>	New England or State
<b>Biomass</b>	<b>25%</b>	New England or State
<b>Geothermal</b>	<b>0%</b>	
<b>Solar</b>	<b>0%</b>	
Coal	0%	
Large Hydroelectric	0%	
Natural Gas	0%	
Nuclear	0%	
Oil	0%	
Other	0%	
<b>TOTAL</b>	<b>100%</b>	

<sup>1</sup>These figures reflect the power that we have contracted to provide. Actual figures may vary according to resource availability. We will annually report to you the actual resource mix of the electricity you purchased during the preceding year.

<sup>2</sup> New renewables are generation facilities in operation on or after January 1, 1998.

<sup>3</sup> Eligible Hydroelectric facilities are defined as facilities whose output is equal to or less than 30 megawatts, or facilities relicensed by FERC after 1986, or facilities certified by the Low Impact Hydropower Institute ([www.lowimpacthydro.org](http://www.lowimpacthydro.org)).

For comparison, Massachusetts Electric's current average mix of energy resources used for electricity generation is coal 43%; natural gas 21%; nuclear 10%; oil 8%; municipal trash 5%; imported power 4%; large hydroelectric 4%; small hydroelectric 3%; bioenergy 1%; and other 1%.

The Green-e Program certifies that {PRODUCT NAME} meets the minimum environmental and consumer protection standards established by the non-profit Center for Resource Solutions.



For more information on Green-e certification requirements, call 1-888-63-GREEN or log on to [www.green-e.org](http://www.green-e.org).

For specific information about this product, contact {COMPANY}, {PHONE NUMBER}, {WEBSITE}

## Appendix C: Common Features of Third Party Verification Methods

Green power marketers who participate in third party certification and verification programs typically undergo an annual verification process audit to substantiate product purchases and sales, as well as product claims. The audit is conducted in accordance with the procedures set forth by the certification body's Annual Verification Protocol. The results of the verification are usually made available to the public in aggregate form.

A typical verification process uses company contracts, invoices, billing statements, affidavits, and other company and public records to verify that:

- 1) The marketer purchased enough power or renewable energy certificates in quantity and type to meet its customer demand for each specific green power product;
- 2) The power or renewable energy certificates were purchased from eligible renewable generators;
- 3) The information provided on the historic fuel source disclosure label is accurate;
- 4) The company did not make any specific purchases of nuclear power;
- 5) The renewable power or renewable energy certificates purchased and sold by the marketer were not sold to more than one customer;
- 6) Full legal title to all of the environmental attributes, including carbon and any applicable emission reduction credits or emission allowances were conveyed to the customer or retired on the customer's behalf with the customer's informed consent and no renewable energy attributes were removed from the product by the seller;
- 7) The product contained enough new renewable resources to meet applicable new renewable requirements and product marketing claims for new renewable resources;
- 8) The marketer has purchased no power from fuel sources for which negative marketing claims were made, (e.g. no nuclear or coal were purchased for this product);
- 9) The non-renewable portion of the electricity product meets applicable emissions requirements; and
- 10) The marketing materials make accurate environmental and other marketing claims consistent with the NAAG *Marketing Guidelines for Electricity*.