

# GREEN-E DIRECT REQUIREMENTS

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This document contains the purchase and verification requirements<sup>1</sup> that apply to companies purchasing Green-e certified renewable energy or carbon offsets that make purchases directly from renewable energy generators or carbon offset projects, and to companies that produce and claim renewable energy or carbon offsets from owned facilities. These types of purchases, production and claims are referred to here as “Direct Purchases” or “Direct Purchasing.” This type of Direct Purchasing is distinct from purchasing from a utility, competitive electricity provider, Renewable Energy Certificate (“REC”) marketer, wholesale seller, or carbon offset provider/retailer participating in the Green-e Energy or Green-e Climate programs. For the purposes of this document, the term “renewable energy” refers to both RECs procured on their own and renewable electricity (electricity bundled with RECs).

A company making Direct Purchases of Green-e certified renewable energy or carbon offsets (“Participant”) agrees to comply with the following requirements.

The Green-e programs are administered by Center for Resource Solutions (“CRS”).

## **I. Certification Categories for Direct Purchases**

Green-e will certify the following Direct Purchases:

1. Renewable electricity or RECs purchased directly from an renewable electricity generation facility owned by another party;
2. Renewable electricity or RECs produced by Participant-owned generators, including on-site generators;
3. Carbon offsets purchased directly from a carbon offset project owned by another party; and
4. Carbon offsets produced by Participant-owned carbon offset projects.

## **II. General Requirements**

### **A. Purchasing Requirements**

1. Green-e certified renewable energy must include only generation from facilities that qualify under the Green-e Energy National Standard.
2. Green-e certified carbon offsets must include only GHG emissions reductions from projects registered under a Green-e Climate Endorsed Program’s eligible protocols or methodologies, as specified in Section IV.B of the Green-e Climate Code of Conduct. Protocols and methodologies not currently eligible from Endorsed Programs can be evaluated at the request of Participants.
3. Direct Purchases must be made directly from the owner or legal representative/designee of a renewable energy facility or carbon offset project.
  - a. The Green-e Governance Board may grant an exception from this requirement in the case that a third-party intermediary is required by law/regulation for renewable electricity or RECs to be procured directly from a generator, or in the case that a third-party intermediary is buying directly from a renewable electricity generator or offset project on behalf of the Participant and is unable to join the Green-e Energy or Green-e Climate programs.

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<sup>1</sup> Detailed verification procedures will be available in a separate document

4. All RECs and offsets that are claimed and reported in accordance with these requirements must be used by and retired for Participant and may not be sold to other parties.
5. Renewable electricity purchases must include all RECs associated with the generation of the electricity purchased or used.
6. For owned and/or on-site renewable energy projects only: If the Participant is making renewable electricity use claims based on a portion of the output and not retaining and retiring all the RECs from the generator, the amount of RECs retained from that facility must be disclosed publicly.
7. For owned and/or on-site offset projects only: If the Participant is making carbon reduction claims based on a portion of the reductions from the project and not retaining and retiring all the offsets from the project, the amount of offsets retained from that facility must be disclosed publicly.

#### **B. Claims and Statements Related to Green-e and CRS**

1. Claims to, and other indicators of, Green-e certification must be made and used only in association with renewable energy and carbon offsets that are certified.
2. Claims associated with purchases of non-certified renewable energy or offsets must be clear, accurate, and not imply certification by Green-e.
3. Participants must retire RECs and offsets (as applicable) to support all claims related to purchases and generation certified through Green-e Direct.
4. Statements about having purchased (in the case of certification category I.1 above) or generated and used (in the case of certification category I.2 above) Green-e certified renewable energy must be clear and accurate.
5. Statements about having purchased (in the case of certification category I.3 above) or produced and used (in the case of certification category I.4 above) Green-e certified carbon offsets must be clear and accurate.
6. All claims about use of renewable energy must be in reasonable temporal proximity to the date of purchase or generation. This includes statements about when the purchase was made, when Participant used the renewable energy, and when the renewable energy was generated.
7. Participants purchasing Green-e certified carbon offsets may claim to have reduced or offset greenhouse gas (GHG) emissions in any GHG reporting or inventory year, and all claims about use of offsets must be clear and accurate.
8. Participants must disclose and submit to CRS instances of any marketing materials and press releases that include specific statements regarding CRS or that use the Green-e® word mark as soon as commercially practicable during their development. Such marketing materials and press releases must also be provided to CRS upon request.
9. Participant must convey to its suppliers of renewable energy and carbon offsets that those suppliers may not use the Green-e logo or word mark, unless supplier has a current contract with CRS to offer a Green-e Climate or Green-e Energy certified product.
10. Participants may not claim or suggest, publicly or to their customers, that they are providing or delivering Green-e certified renewable energy or carbon offsets to any other party, unless Participant is enrolled in the Green-e Energy or Green-e Climate program respectively as a seller of a certified product.

11. Participation in Green-e Direct does not allow Participant's customers to claim to be using renewable energy or offsetting.
12. Unless Participant is participating in the Green-e Marketplace program, Participant may not use percent-of-use renewable energy and/or GHG claims associated with the Green-e name, and may not make statements that convey that they are participating in Green-e Marketplace, such as "Our manufacturing facility uses 100% Green-e Energy certified wind electricity."
13. Other claims may be approved on a case-by-case basis.

### **III. Verification of Direct Purchases**

#### **A. Overview and Administrative Issues**

1. On an annual, calendar year basis, Participants must conduct an annual verification audit to ensure that, for the Direct Purchases claimed in a given calendar year (the "Reporting Year"):
  - a. The renewable energy facilities used to supply Green-e certified renewable energy and the offset projects used to supply Green-e certified carbon offsets were eligible;
  - b. The Participant received the reported renewable energy and carbon offsets in proper quantity and type; and
  - c. The renewable energy, carbon offsets and embodied environmental attributes procured, and/or produced and claimed, were not sold to or claimed by a party other than the Participant.
2. Participant must hire an independent auditor or employ a Certified Internal Auditor<sup>2</sup> to verify the accuracy of the information provided to Green-e as specified in the Green-e Verification Audit Instructions and Protocol. The auditor will provide a report to CRS testifying to the results of the audit, during the calendar year following the Reporting Year.
3. Verification requires that Participant provide the following materials to Green-e staff in accordance with the Verification Timeline (see Section III.C below) and with the verification submission guidelines to be provided annually to the Direct Participant (only worksheets and attestation forms provided by Green-e will be accepted):
  - a. Worksheets and attestations completed by the Direct Participant;
  - b. Attestations, renewable energy tracking system reports and/or carbon offset registry reports obtained from suppliers of RECs, renewable electricity, and/or carbon offsets; and
  - c. Other required supporting documents, purchase and generation data or contracts.
4. If a Participant's certification contract is terminated, Participant must still conduct verification for all Direct Purchases made until the date of contract termination.
5. Once the annual verification audit process is complete for all Participants, Green-e will generate a Verification Report of the aggregated purchase and sales data of all Green-e program participants. Participant's data will be included in aggregate but not individually broken out or identified.

#### **B. Requirements for Specific Purchase Types**

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<sup>2</sup> Qualifications for auditors are available upon request and are provided annually to Participants in the Green-e Annual Verification Audit Protocol.

1. Renewable Energy Purchased from a Generator
  - a. Participant may receive RECs into Participant's account in an approved tracking system, in which case the RECs must be either:
    - i. Transferred directly into Participant's account, and retired by the Participant; or
    - ii. Issued by the tracking system directly into the Participant's account.
  - b. If Participant does not receive the RECs associated with the purchase in a tracking system account, then:
    - i. If generator is registered in a tracking system, the RECs will be issued in a tracking system and must retired in the tracking system on behalf of the Participant;
    - ii. If generator is not registered in a tracking system, the RECs must be included in the renewable energy purchase contract and retired contractually by the Participant.
2. Renewable Energy from Owned Generators (Including Owned On-Site)
  - a. Renewable electricity produced from owned generation must include all RECs associated with the generation of electricity.
  - b. If the generator is registered in an approved tracking system, the RECs must be issued in Participant's account in the tracking system and must be retired by the Participant.
  - c. If the generator is not registered in an approved tracking system, the RECs must be retained and not sold by Participant, in order to substantiate claims.
3. Carbon Offsets
  - a. Carbon offsets must be tracked in an approved registry and must be retired by the time that verification data and materials are submitted to Green-e.
  - b. Participant must receive all offset credits into their registry account directly from the offset project owner, and retire all offset credits in the registry.

### **C. Indicative Annual Verification Timeline**

1. Soon after the close of the calendar year of Direct Purchases to be audited, Green-e will provide Annual Verification Audit materials to Participant, including a specific Annual Verification Submission Timeline and Deadlines ("Verification Timeline") for that Reporting Year that contains the exact dates, deadlines and additional aspects that Reporting Year's verification process. The dates and timing below are indicative only.
2. By the end of February following the Reporting Year, Participant must submit an Unaudited Report of all Green-e certified Direct Purchases made in that calendar year. The worksheet for this Unaudited Report will be provided to Participant in advance of the deadline.
3. Throughout the spring, Green-e staff will provide support for all Participants undergoing the verification audit and for the auditors they have hired.
4. Completed and audited verification audit materials will be due to Green-e in accordance with the Verification Timeline; typically this due date is the first business day in June. Only in rare instances

will extensions be granted, and any request for extension must be submitted prior to the deadline provided in the Annual Verification Submission Timeline and Deadlines document.

5. Only in the event that required verification materials and a complete audit report is not submitted to Green-e by the final submission due date on the Verification Timeline, late fees will be assessed based on the volume of certified Direct Purchases and the number of days late as laid out in the Verification Timeline.

#### **D. Non-compliance Activities**

1. For instances in which Green-e verification activities reveal significant differences between what has been publicly claimed and what was actually verified, Participants are required to either adjust public claims as necessary to be accurate with respect to actual Direct Purchases or true up the shortfall in order to match the original public claim. If true-up renewable energy and/or carbon offsets are procured from an entity other than a facility owner or offset project owner, then public claims must be amended as necessary to be accurate with respect to what was delivered and purchased.
2. Refusal to procure replacement or extra renewable energy and/or carbon offsets or amend the purchase agreement and public claims as necessary to be accurate with respect to what was delivered will trigger enforcement activities as described in the Green-e Direct Program Agreement.