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U.S. Green Building Council  
2101 L Street, NW  
Suite 500  
Washington, DC 20037

**RE: Comments from the Renewable Energy Markets Association on the U.S. Green Building Council's LEED Draft Rating Systems and Credits**

Dear USGBC Technical Advisory Group, USGBC Board of Directors, LEED Steering Committee, and Others:

The Renewable Energy Markets Association (REMA) is pleased to offer comments on the US Green Building Council's (USGBC) Draft LEED Rating Systems for Existing Buildings, New Building Design, New Interior Design, Homes, and Neighborhood Development, with a special focus on those credits pertaining to green power purchases and on-site renewable energy generation.

REMA represents the collective interests of both for-profit companies and nonprofit organizations that sell or promote the sale of renewable energy products, including renewable technology, renewable electricity, and renewable energy certificates (RECs), to individuals, companies and institutions throughout North America. REMA actively engages in policy proceedings at the federal and state level, and many of its members are professionally invested in the USGBC's activities.

All five of the USGBC's drafts LEED Rating incorporate credits either for green power procurement, the use of on-site renewable generation, both, or in the case of Existing Buildings: Operations and Maintenance, a combination thereof. REMA strongly supports the inclusion of these complementary credits in all categories, as they directly encourage the development of new clean, renewable energy sources and decrease fossil fuel consumption.

The inclusion of LEED renewable energy-related credits recognize the positive impact of the strong and growing green power (renewable electricity and RECs sold independently of electricity) market. In 2009, U.S. consumers made voluntary purchases of renewable energy totaling in excess of 30 million mega-watt hours (MWh), a 17% increase over 2008 levels. Voluntary demand is served almost exclusively by new renewables, meaning renewable generation that began commercial operation since the beginning of 1997. Further, voluntary purchases of renewable energy have grown at an average annual rate of 41% since 2005.<sup>1</sup> USGBC's integration of green power purchases and on-site generation into its credit system will no doubt aid in the continued growth of the voluntary renewable energy markets and renewable generation technologies. REMA offers the following improvements to each draft LEED rating system that can further improve these standards and increase renewable energy deployment.

**REMA Comments and Recommendations: LEED Draft Rating Systems**

- ***Building Design & Construction (BD&C) and Interior Design & Construction (ID&C)***
  - Supportive of 5 year purchase commitment and 2005 online date for qualifying renewable sources.
  - Recommends revising green power purchase block percentages, requiring green power vintage matching, allowing Green-e® or equivalent resource for green power eligibility, providing points

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<sup>1</sup> L. Bird, J. Sumner, *Green Power Marketing in the United States: A Status Report (2009 Data)*, Golden, CO: National Renewable Energy Laboratory, pg. v, Sep. 2010, Accessed 2 Nov. 2010, [http://www.renewablemarketers.org/pdf/resources/NREL\\_2009\\_VRE.pdf](http://www.renewablemarketers.org/pdf/resources/NREL_2009_VRE.pdf).

for on-site renewable generation installation, providing points for the use of on-site renewable generation with retention of RECs, and awarding commensurate LEED points for higher purchase percentages and longer commitments.

- **Existing Buildings: Operations & Maintenance (EB:OM)**
  - Supportive of 5 year purchase commitment, 2005 online date for qualifying renewable sources, and green power resource eligibility.
  - Recommends revising green power purchase block percentages, requiring green power vintage matching, differentiating LEED points between off-site generation (green power purchases) and on-site generation (similar to EA credits for ID&C and BD&C), providing points for on-site renewable generation installation, providing points for the use of on-site renewable generation with retention of RECs, and awarding commensurate LEED points for higher purchase percentages and longer commitments.
- **Homes**
  - Supportive of on-site renewable generation provision.
  - Recommends addition of a new green power LEED credit (similar to BD&C EA Green Power credit) that includes a commitment provision, marketable green power purchase blocks, points for on-site renewable generation installation, points for the use of on-site renewable generation with retention of RECs, educational resources on green power options, and commensurate LEED points for higher purchase percentages and longer commitments.
- **Neighborhood Development**
  - Supportive of on-site renewable generation provision.
  - Recommends addition of a new green power purchase LEED credit (similar to BD&C EA Green Power) that includes a commitment provision, marketable green power purchase blocks, points for on-site renewable generation installation, points for the use of on-site renewable generation with retention of RECs, and commensurate LEED points for higher purchase percentages and longer commitments.

#### **--Building Design & Construction (BD&C) and Interior Design & Construction (ID&C)**

REMA is supportive of both Energy & Atmosphere (EA) credits for green power and on-site renewable energy in the draft rating systems for BD&C and ID&C and offers the following recommendations to further improve the categories. First, the proposed green power criteria that qualifying RECs must be sourced after January 1, 2005, will ensure that LEED REC purchases help support the newest renewables and create increased demand for additional renewable energy generation facilities.

Second, LEED's draft requirement that green power purchasers secure a 5 year commitment for certified RECs amplifies the market signal that project developers need to hear to meet long-term demand. However, REMA recognizes that requiring a five year commitment in the form of a purchase contract may prove inflexible to some prospective adopters and marketers. With this consideration in mind, REMA maintains its support of a 5 year enforceable agreement between supplier and consumer that may or may not take the form of a purchase contract. Similar to past LEED rating systems, a minimum floor of a 2 year purchase contract must be part of this 5 year enforceable commitment. Above all, consumers should be rewarded commensurate LEED points for higher purchase percentages and longer commitments.

Further, REMA's EA Green Power credit recommendations for the BD&C and ID&C draft rating systems seek to reconfigure the purchase blocks of green power. The current draft rating system for green power is partitioned into thirds (33%, 67%, and 100%), and while these options are straightforward, they are not consistent with contemporary green power marketing. Many green power marketers have adopted a 25%-based block structure for purchases. A simple adjustment from the proposed percentages to one that aligns with existing structures (i.e.

25%, 50%, 75%, and 100%) would reduce customer confusion, increase green power marketability, and empower customers to more confidently convey their green power purchases.

REMA also recommends that qualifying REC purchases include vintage matching. Many industry stakeholders consider vintage matching an industry best practice, and it is already a requirement for Green-e®'s REC certification. Qualifying RECs for green power points should also be revised to allow both Green-e® and equivalent sources, making it consistent with the EA credit for EB:OM. Inclusion of such criteria in the draft rating systems for BD&C and ID&C should assist consumers and green power marketers in supporting renewable energy development.

On-site renewable energy EA credits are also vital in building a robust renewable energy sector. REMA believes that the USGBC should clarify its intent to support on-site renewable energy by awarding points for the installation of renewable generation equipment as well as awarding points for the use of on-site renewable generation that retains the RECs. As always, attention must be paid to avoid the double counting of environmental attributes. Overall, USGBC should strive for consistency and clarity in its on-site renewable generation requirements and incorporate this recommendation throughout its proposed draft rating systems for on-site renewable energy points.

#### ***--Existing Buildings: Operations & Maintenance (EB:OM)***

REMA's recommendations for the draft EB:OM rating system *mirror those for the Energy & Atmosphere credits in the BD&C and ID&C rating systems*, save for the combination of On-site and Off-site (essentially green power purchases) components in one credit. Again, REMA reiterates its support for the 2005-sourcing criteria, eligible sources (Green-e® or equivalent), long term commitment measures that are similar to the green power requirements in the BD&C and ID&C rating systems, and commensurate LEED credits for higher purchase percentages and longer commitments. Also, REC vintage matching is encouraged, and green power purchase blocks should be reconfigured to reflect existing market percentages (i.e. 25%, 50%, 75%, and 100%).

The proposed draft rating system for EB:OM requires that on-site renewable energy installations retain their RECs. REMA believes that the USGBC should clarify its intent to support on-site renewable energy by awarding points for the installation of renewable generation equipment as well as awarding points for the use of on-site renewable generation that retains the RECs. As already noted, attention must be paid to avoid the double counting of environmental attributes. USGBC should strive for consistency within its rating systems and work to incorporate this recommendation throughout all on-site renewable energy provisions.

#### ***--Homes***

REMA would like to first commend the USGBC for including an Energy & Atmosphere credit for Homes, as the residential sector is an important player in the renewable energy market. However, the USGBC can improve the credit through adding an off-site or green power purchase component much like the standards above for EB:OM, BD&C and ID&C. In 2009, the residential sector purchased approximately 7.2 million MWh of green power,<sup>2</sup> but, as written currently, the EA credit ignores this outlet and addresses only on-site renewables.

The USGBC should strive for consistency within its LEED rating system for Homes (and Neighborhood Development as well). The Homes draft rating system presents another opportunity to support the growth of renewable energy generation sources, either through one's property, electric provider, or green power marketer. Creating this consistency would entail adopting REMA's recommendations to the Green Power EA credit criteria for BD&C and ID&C. Adding a green power purchase option allows homeowners the opportunity to support green energy where it may prove technically or financially unfeasible to incorporate on-site renewable energy equipment into home construction or renovation. Residents should be provided the option to purchase green power from their

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2 Op. Cit. Bird et al, pg. 5

electricity provider or by purchasing Green-e® certified RECs or equivalent, and they should be rewarded commensurate LEED points for higher purchase percentages and longer commitments.

The included EA credit for on-site renewable energy generation should be revised to ensure consistency with REMA's recommendations for the other LEED draft rating systems. REMA believes that the USGBC should clarify its intent to support on-site renewable energy by awarding points for the installation of renewable generation equipment as well as awarding points for the use of on-site renewable generation that retains the RECs.

Further improvement of the Home LEED Rating System should include a revision to the Performance Pre-Requisite that explicitly identifies educational information sources on local green power options as part of Basic Operations Training, section (H). REMA recommends that LEED include references to the Environmental Protection Agency's (EPA) Green Power Partnership and its green power locator (<http://www.epa.gov/greenpower/pubs/gplocator.htm>). This is a trusted, independent source of valuable consumer information and—when paired with an EA credit for green power purchases—will help homeowners better navigate renewable energy provider options.

### **--Neighborhood Development**

REMA's recommendations for LEED's Neighborhood Development draft rating system follow similar logic to our recommendations for the LEED Homes draft rating system. The Green Infrastructure & Building (GIB) credit for on-site renewable energy sources should be expanded to include a provision allowing the purchase of Green-e® certified RECs (or equivalent) or a green power product from an electricity provider, green power marketer, or other similarly situated vendor. This new credit could take the form of the EA Green Power credit for the BD&C draft rating system. Again, there can be inherent limitations on the installation of on-site renewable energy generation equipment, and participants should still be rewarded for supporting renewable energy.

On the inclusion of the existing GIB credit for on-site renewable energy generation, REMA believes that the USGBC should clarify its intent to support on-site renewable energy by awarding points for the installation of renewable generation equipment as well as awarding points for the use of on-site renewable generation that retains the RECs. REMA's recommendation for the consistent treatment of on-site renewable energy installation and generation--across the draft rating systems--should assist the USGBC in meeting its goal of growing renewable energy use and production.

### **Noteworthy Support for Green Power**

Existing support for green power purchases is as broad as it is authoritative. Today, green power purchases enjoy a long history of guidance from private and federal institutions, including the Department of Energy, the Environmental Protection Agency (EPA), the White House Council on Environmental Quality (CEQ), and environmental bodies. These agencies and numerous others have stated that green power options like RECs are suitable mechanisms for government agencies, businesses, and residents to purchase renewable energy.

- **U.S Department of Energy** - Aside from being ranked the third largest purchaser of green power products,<sup>3</sup> the DOE presents annual awards to utility and non-utility suppliers of renewable energy—suppliers that sell RECs—recognizing them as leaders in their fields.<sup>4</sup> In addition to its leading actions on green power purchases, the DOE has partnered with the EPA, World Resources Institute (WRI), and the Center for Resource Solutions (CRS) to publish *The Guide for Purchasing Green Power*, a how-to for private

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3 U.S. Environmental Protection Agency, Green Power Partnership: Top 10 Federal Purchasers, 5 Oct. 2010, <http://www.epa.gov/greenpower/toplists/top10federal.htm>.

4 U.S. Environmental Protection Agency, 2010 Green Power Leadership Awards, 24 Oct., 2010, <http://epa.gov/greenpower/awards/winners.htm>

and public entities that endorses the purchase of RECs to meet financial, environmental, and regulatory goals.<sup>5</sup>

- **U.S. Environmental Protection Agency** - In its October 2010 draft report, *The Environmental Value of Purchasing Renewable Energy Certificates Voluntarily*, the EPA reiterated the environmental significance of RECs, saying that they are "critical, effective, and valuable instruments for expanding renewable energy across the United States."<sup>6</sup> RECs allow electricity customers to buy renewable electricity regardless of whether it is offered by a local electricity provider, and their flexibility is key to the emergence of a commercial and institutional customer-driven national voluntary market for renewable energy.
- **White House Council on Environmental Quality** - Signed in 2009, Executive Order 13514 requires federal agencies to make greenhouse gas emission reductions a priority for federal agencies, and begin reporting greenhouse gas emissions from direct and indirect activities. Moreover, on October 6, 2010, the White House Council on Environmental Quality (CEQ) released its Federal Greenhouse Gas Accounting and Reporting Guidance, which clearly states that RECs are among the limited number of instruments that may be used to reduce the purchaser's Scope 2 emissions associated with conventional energy purchase and consumption.<sup>7</sup> The CEQ reached this position after a comment and review period where it evaluated numerous emissions reduction approaches, much like the comment period the USGBC is conducting.

### Concluding Remarks

REMA and the USGBC understand that when designing or renovating a building, steps should be taken to maximize energy efficiency, promote renewable energy use, and minimize waste in all its forms. Including credits for on-site renewable electricity generation is a viable option for some structures and should be encouraged whenever possible. Separately, rewarding the purchase of qualifying green power through RECs, utility programs, or other options encourages buildings to support renewable power when brick and mortar modification may prove unfeasible. Even after installing on-site renewable electricity generation, green power procurement via certified RECs allows a building's owners to supplement their clean energy activities by going above and beyond their on-site system's output. Above all, the USGBC could heighten incentives for renewable energy use and construction through awarding commensurate LEED points for stronger green power commitments and purchase percentages.

Again, REMA wishes to express its support for the USGBC's embrace of RECs, green power, and their combined utilization in the draft LEED rating systems for Existing Buildings, New Building Design, New Interior Design, Homes, and Neighborhood Development. The USGBC is leading the private and public sectors in advancing sustainable building practices that will reduce environmental degradation and improve quality of life. REMA and its members extend our continued support to the USGBC in meeting these goals and growing the market for ample sources of clean, renewable electricity.

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5 U.S. Environmental Protection Agency et al, Guide to *Purchasing Green Power: Renewable Electricity, Renewable Energy Certificates, and On-Site Renewable Generation*, March 2010, pg. 11, [http://www.epa.gov/greenpower/documents/purchasing\\_guide\\_for\\_web.pdf](http://www.epa.gov/greenpower/documents/purchasing_guide_for_web.pdf)

6 U.S. Environmental Protection Agency's Green Power Partnership, *The Environmental Value of Purchasing Renewable Energy Certificates Voluntarily*, October 2010, [http://www.epa.gov/greenpower/documents/gpp\\_basics-recs\\_voluntary.pdf](http://www.epa.gov/greenpower/documents/gpp_basics-recs_voluntary.pdf).

7 U.S. Council on Environmental Quality, *Federal Greenhouse Gas Accounting and Reporting Guidance*, 6 Oct. 2010, pg. 23-25, [http://www.whitehouse.gov/sites/default/files/microsites/ceq/GHG%20Guidance%20Document\\_0.pdf](http://www.whitehouse.gov/sites/default/files/microsites/ceq/GHG%20Guidance%20Document_0.pdf)