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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 Revised 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 its updated comments on the U.S. Green Building Council's (USGBC) Draft LEED Rating Systems for Existing Buildings, New Building Design, New Interior Design, Homes, and Neighborhood Development. These comments address the USGBC's treatment of green power purchases and on-site renewable energy generation in its suite of standards.

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. Today's comments build upon REMA's January 2011 submission.

As the Technical Advisory Group is aware, all five of the revised draft LEED Rating Systems incorporate credits either for green power procurement, on-site renewable generation use, both, or in the case of Existing Buildings: Operations and Maintenance, a combination thereof. Although some credits have been reduced, REMA strongly supports the inclusion of these complementary credits *in all* categories, as they directly encourage the development of new clean, renewable energy sources, decrease fossil fuel consumption, and promote building sustainability.

The USGBC's incorporation of LEED renewable energy-related credits recognizes the positive impact of the strong and growing green power (renewable electricity and RECs sold independently of electricity) market. With these revised certification incentives, builders and property owners will more likely participate in a robust market that is bringing new renewable energy generation online. In just 2009, U.S. consumers made voluntary purchases of renewable energy totaling in excess of 30 million megawatt hours (MWh), a 17% increase over 2008 levels. Green power use and on-site renewable energy

generation are two of the most effective tools for reducing fossil fuel consumption. Furthering this goal, REMA offers the following recommendations and clarifications for each draft LEED rating system to improve these standards and increase renewable energy deployment.

REMA Comments and Recommendations: LEED Draft Rating Systems

- ***Interior Design & Construction (ID&C)***
 - a. REMA supportive comments on Energy and Atmosphere (EA) credit
 - i. January 2005 online date
 - ii. Green power sourcing, Green-e® or equivalent
 - iii. Green power 5-year commitment
 - b. Recommendations
 - i. Vintage matching for green power use
 - ii. Points for renewable energy installation with additional points for retention of RECs
 - iii. Clear language requiring retention or replacement of RECs for claims from on-site renewable energy production

- ***Building Design & Construction (BD&C)***
 - a. REMA supportive comments on Energy and Atmosphere (EA) credit
 - i. January 2005 online date
 - ii. Green power sourcing, Green-e® or equivalent
 - iii. Green power 5-year commitment
 - b. Recommendations
 - i. Vintage matching for green power use
 - ii. Points for renewable energy installation with additional points for retention of RECs
 - iii. Clear language requiring retention or replacement of RECs for claims from on-site renewable energy production

- ***Existing Buildings: Operations & Maintenance (EB:OM)***
 - a. REMA supportive comments of Energy and Atmosphere (EA) credit
 - i. January 2005 online date
 - ii. Green power sourcing or Green-e® or equivalent
 - iii. Green power 5-year commitment
 - iv. Noted retention of RECs (for onsite generation)
 - b. Recommendations
 - i. Points for renewable energy installation with additional points for retention of RECs
 - ii. Vintage matching for green power use

- **Neighborhood Development (ND)**
 - a. REMA supportive comment on Green Infrastructure & Buildings (GIB) credit
 - i. Incorporation of onsite renewable energy generation
 - b. Recommendations
 - i. Vintage matching for green power use
 - ii. Clear language requiring retention or replacement of RECs for claims from on-site renewable energy production
 - iii. Incorporation of green power use credit

- **Homes**
 - a. REMA supportive comments on Energy and Atmosphere (EA) credit
 - i. Incorporation of onsite renewable energy generation
 - ii. Retention of RECs for environmental attribute claims
 - b. Recommendations
 - i. Vintage matching for green power use
 - ii. Clear language requiring retention or replacement of RECs for claims from on-site renewable energy production
 - iii. Incorporation of green power use credit

--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, REMA welcomes the USGBC's LEED draft requirement that green power purchasers secure a 5-year commitment for certified RECs, as it amplifies the market signal that project developers need to hear to meet long-term demand. However, REMA recognizes that requiring a 5-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 the current language in the LEED's draft EB:OM Green Energy Production and Utilization credit. Similar to past LEED rating systems, a minimum floor of a 2-year purchase contract must be part of this 5-year enforceable commitment. An example of this commitment could include an intent-to-purchase countersigned document between the green power supplier and purchaser.

Absent from the revised LEED draft standards was clarity on qualifying REC purchases and vintage matching. Vintage matching ensures that the renewable energy is generated within a time range that matches when it is claimed by the purchaser. For example, to earn LEED EA credits, a program

participant would need to procure green power generated during each year of the 5-year commitment (e.g. 2011-2016), not 5-years worth of RECs from one year of generation (e.g. 2011). Many industry stakeholders, including Green-e Energy and the U.S. Environmental Protection Agency, consider vintage matching a best practice for purchasing renewable energy. To simplify the process, the USGBC could identify the time period during the LEED application process when qualifying green power purchases may be initiated (e.g. signed building contract, end of construction, etc). A clear signal to building designers on when to apply their green power purchases would facilitate the purchase overall.

Vintage matching strengthens the intent of the proposed LEED 5-year commitment by sending a market signal for a dependable demand of renewable energy over multiple years. A consistent future off-take of RECs provides the certainty project developers need to expand renewable energy generation. Although the LEED draft language does include the phrase, “qualified resources...to be delivered annually or frequently,” it does not offer clear guidance on how participants should match environmental claims and delivery of RECs. REMA recommends that explicit language outline that qualifying RECs used for the EA credit should be delivered and claimed within their same vintage year for each year of the proposed 5-year purchase commitment.

Finally, REMA knows that on-site renewable energy production EA credits are also vital in building a robust renewable energy sector. 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 additional points for the use of on-site renewable generation that retains the RECs.

The cost of renewable energy equipment is on average higher than traditional fossil fuel energy sources, even after the sale of associated environmental attributes and power; LEED credit may provide the additional incentive needed to install such a renewable energy system. Thus, REMA supports a revision to the EA credit for renewable energy installation and commensurate credits for retention of the associated environmental attributes (or RECs). Further, REMA recommends that the USGBC clarify and or restate its policy on retention or replacement of RECs when making environmental claims from onsite renewable energy production. Although it may be already understood through a credit Interpretation request (CIR), the EA credit should include a statement emphasizing this requirement; to make a renewable energy self-supply claim, the associated environmental attributes must be retained or replaced.

--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 strong support for the 2005-sourcing criteria, eligible sources (Green-e® or equivalent), and long term commitment measures that are similar to the green power requirements in the BD&C and ID&C rating systems. Also, REMA encourages adoption improved guidance on REC vintage matching language and points for the installation of renewable generation equipment additional commensurate points for retention of RECs.

--Homes

Again, REMA would like to 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, as REMA stressed in its previous submission, 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,¹ but, as written currently, the EA credit ignores this outlet and addresses only on-site renewables. Residential participants ought to be afforded multiple pathways for supporting and procuring renewable energy. The overall stated intent of the EA Renewable Energy credit is reduction of nonrenewable energy sources, yet the revised standard limits the routes for achieving this goal.

The Homes draft rating system presents an opportunity for the USGBC to further support building sustainability through 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.

On the existing renewable energy credit, REMA encourages points for the installation of renewable generation equipment and commensurate additional points for retention of RECs. A clear or restated policy language on retention or replacement of RECs when making environmental claims will assist in preventing the double counting of environmental attributes. And as stated earlier, the EA credit should include a statement emphasizing this requirement; to make a renewable energy self-supply claim, the associated environmental attributes must be retained or replaced.

--Neighborhood Development

REMA's recommendations for LEED's Neighborhood Development draft rating system hew 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

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

renewable generation that retains the RECs. REMA's recommendation for the consistent treatment of onsite-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.

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.

Again, REMA wishes to express its support for the USGBC's embrace of RECs, green power, and their combined utilization in the revised 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.

For additional questions or clarification on REMA's recommendations, please contact Joseph Seymour, REMA Policy and Governmental Affairs Coordinator, at jseymour@ttcorp.com.

Sincerely,



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