

August 15, 2011

Att: WindMade Label Program  
WindMade  
Rue d'Arlon 80  
1040 Brussels, Belgium

**RE: Renewable Energy Markets Association comments on the WindMade Label Program's Proposed Standard for Companies and Organizations**

The Renewable Energy Markets Association (REMA) appreciates the opportunity to provide comments on the WindMade Label Program's Proposed Standard for Companies and Organizations, released June 15, 2011. REMA represents the collective interests of both for-profit and nonprofit organizations that sell or promote renewable energy products through voluntary markets, including renewable technology, renewable electricity, and renewable energy certificates (RECs), to individuals, companies and institutions throughout North America.

REMA's membership strongly supports the use of renewable energy technologies like wind to mitigate the effects of climate change, reduce greenhouse gas emissions, and promote resource efficiency and energy security. With clarified program definition and regulations, the WindMade Label Program will help advance the voluntary renewable energy markets and promote the deployment of new renewable generation. Growing demand for renewable energy will stimulate the overall market for--and interest in--renewable energy products and technologies. If implemented in manner that maintains integrity and reduces the barriers for adoption, WindMade could accomplish at an international level the same level of success that the U.S. government's EnergyStar program and USDA Organic labeling program have had at the national level.

REMA's recommendations seek to improve WindMade's proposed standard by addressing program impact, comprehension, and application of renewable energy.

**REMA's WindMade Proposed Standard Recommendations**

- ***Section 3: Definitions***
- ***Section 5: Eligible Organizations***
- ***Section 6: Label Design and Qualification Level***
- ***Section 7: Methods for Sourcing of Renewable Electricity***
- ***Section 11: Application and Verification Process, Section 12: Requirements to Reporting, and Section 13: Requirements to Internal Procedures***
- ***Annex I: Guidelines for Approved Renewable Electricity Certification Programs***
- ***Annex VI: Green Credentials***

### **Section 3: Definitions**

A Renewable Energy Certificate (REC) represents the environmental attributes associated with the generation of one MWh of electricity from an eligible renewable source. WindMade has recognized RECs and Green Credentials as methods for sourcing renewable energy Section 7; REMA proposes that WindMade clarify its several Section 3 definitions (“Renewable Electricity,” Section 3.5, and “Wind Electricity,” Section 3.11) to ensure consistent guidance to source renewable electricity.<sup>1</sup> These revisions would support the intent of the standard, which acknowledges various eligible energy pathways.

REMA recommends that the revised definitions include (proposed changes are in **bold**):

- 3.5: Renewable electricity is electricity generated by means of a renewable energy source **or green credentials associated with electricity generated by means of a renewable energy source.**
- 3.11: Wind Electricity is electricity generated from wind energy **or green credentials associated with electricity generated from wind energy.**

### **Section 5: Eligible Organizations**

As a new consumer label, it is essential for WindMade to minimize significant entry barriers to ensure adequate participation, both from profit and not-for-profit entities. Eligibility and reporting requirements should be designed to avoid a prohibitive cost structure. Even if the standard is well designed in all other respects, significant costs – especially in this economic climate – risk deterring corporate membership in WindMade. REMA encourages WindMade to keep membership fees, and the costs associated with membership, as low as possible so as to avoid financial disincentives to join the program. Fees that reflect the global economic situation should allow for more diversity relative to size and scope of organizations desiring the label’s use.

Further, REMA encourages WindMade to increase and clarify Section 5.2’s minimum electricity consumption terms required. As noted, the minimum annual renewable electricity requirement is 20% of an entity’s total annual energy consumption. To avoid claims of greenwashing, it is in the renewable energy industry’s interest to avoid a potential product where the threshold for participation is low and claims are general. REMA asserts that renewable energy use should be transparent and not over generalize the environmental benefits associated. Without an empirical basis for the minimum annual electricity requirement of “20% of their total annual energy consumption including non-electricity energy consumption,”<sup>2</sup> REMA proposes that the user disclose how much of their total energy consumption is represented by electricity consumption.

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<sup>1</sup> For the purpose of this definition, “Renewable Energy” applies to “Renewable Electricity”.

<sup>2</sup> WindMade Label Program, WindMade Standard for Companies and Organizations: “Draft for Public Consultation”, Section 5.2: June 15, 2011.

**Section 6: Label Design and Qualification Level**

Increased renewable energy commitments, both in contract duration and percentage use, promote the deployment of new renewable generation. WindMade's Section 6.1 state that "the wind percentage must be at least 25% to qualify". However, in comparison to other highly-regarded label programs, this minimum requirement is too low to allow the capacity for a reputable label standard. The name "WindMade" implies that a substantial amount, presumably at least half, of the energy generated comes from wind. For instance, the minimum renewable energy requirements for the Green-e Marketplace Certification range anywhere from 20% for large facilities<sup>3</sup> to 100% for smaller ones.<sup>4</sup> Setting a higher threshold for the minimum percentage of wind power generated will promote WindMade's goal of establishing a high-quality and credible standard.

REMA also asks that WindMade clarify the label designs in this section. The proposed logos may not provide clear enough information for the ordinary consumer to understand at a quick glance. Label Type 1 is explicit, but Label Type 2 does not offer such clarity. For example, the combination of disclosure and brand labeling in Label Type 2 may produce confusion, i.e. consumers expect the disclosure table to reach 100% and perceive "25% wind" not as part of overall electricity usage, but as only a quarter of renewable energy. If Label Type 2's goal is disclosure of renewable energy sources in addition to wind, design elements could be made more consistent with Type 1's, so as to minimize any ambiguity or confusion. REMA recommends that WindMade revisit the dual labels and strive for a consistent, comparable, and simplified logo design illustrative of WindMade's claims.

**Section 7: Methods for Sourcing of Renewable Electricity**

To satisfy existing industry and marketing best practices, REMA recommends that WindMade's Section 7 sourcing requirements include explicit double counting provisions and account for RECs whenever renewable energy counted toward a mandatory purchasing obligation. The following section-by-section recommendations propose these revised sourcing requirements:

- **Section 7.2:** Restate WindMade's encouragement of renewable energy to include REC purchases in addition to Power Purchase Agreements (PPA). Also, language should clearly state that there is no other claim available for green credentials or RECs.
- **Section 7.3.4:** Emphasize the prohibition of double counting. A user must own the title to the credentials/credits or refrain from issuing green credentials. These green credentials include all voluntary instruments that hold the primary purpose for making green claims such as CO2 certificates, RECs. Section 7.3.4 could gain from a clarified statement to read "No other claim, other than the user's, may be made on Green Credentials."

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<sup>3</sup> Above 100,000 MWh. Green-e Programs, "Green-e Marketplace Requirements," [http://www.green-e.org/getcert\\_bus\\_howto.shtml](http://www.green-e.org/getcert_bus_howto.shtml). 15 Aug. 2011.

<sup>4</sup> Below 1,000 MWh. Green-e Programs, "Green-e Marketplace Requirements," [http://www.green-e.org/getcert\\_bus\\_howto.shtml](http://www.green-e.org/getcert_bus_howto.shtml). 15 Aug. 2011.

- **Section 7.3.6:** Revise statement to read that “Generated electricity and the associated RECs cannot be double counted.” Again, this clarified statement would work to prevent simultaneous environmental attribute claims.
- **Section 7.4.2:** Removal of the section. As written, the statement requires that an eligible PPA contract be finalized prior to the renewable energy facility’s commission date, creating an overly restrictive situation that penalizes current and future merchant assets.
- **Section 7.4.6:** Addition of RECs to the statement limiting application of renewable energy to read “...the procured electricity and the associated RECs can not be counted towards renewable compliance standards such as Renewable Portfolio Standards and similar schemes.”
- **Section 7.5:** Revisit the process for determining guidelines for approval of programs listed in Annex II. To ensure that only high-quality and highly reputable organizations are represented under the WindMade label, restrictions and qualifications should be governed by clear and understandable standards while recognizing the balance between international program compatibility and local differences. This request stems from the overall goal to maintain the extremely high level of quality that WindMade has set out to illustrate, thus avoiding the brand from being diluted by a less than reputable organization.
- **Section 7.5.4:** Clarify the intended grid-to-certification program requirement to allow for facilities that are located in the geographic region(s) covered by the approved certification program. For example, in the U.S. eligible WindMade companies and organizations cannot be physically connected to Green-e®, although they are participants in Green-e®’s certification program.
- **Section 7.6.2:** Require that donation thresholds made to the fund be higher than the market price for RECs. If an organization acquires green credentials through donations instead of purchasing RECs and participating in an accredited certification program, then the donation price should be higher than its market value in order to prevent potential gaming of the standard whereby it’s cheaper for participants to purchase an uncertified product and making a donation rather than buying higher-quality certified renewable energy products. Additionally, the fund should be clear and transparent so that it does not drive customers away from current certification programs.

### **Section 8: Reporting Boundaries**

The Section 8.4 language “within the chosen reporting boundaries”, poses the risk of allowing a user to exclude a portion of its energy footprint from labeling requirements. If *in aggregate* those facilities do not exceed 1% of the total, a user can strategically pick and choose the boundaries, therefore, excluding a larger total electricity footprint than the regulations originally intended.

The drafters of the WindMade Standard should be cognizant of the potential interplay between the de minimus provision, which correctly offers a de minimus exclusion only when a group of facilities are so small that *in aggregate* they represent less than 1% of the facility's total energy footprint, and the correct setting of reporting boundaries. Problems arise from the fact that a user could exclude a facility that would not otherwise qualify as de minimus simply by "drawing it" outside the reporting boundary, or that a significant facility could be "made de minimus" simply by "drawing it" inside a reporting boundary with a much larger facility.

Thus, while the design criteria outlined in Section 8.1 stresses the users' ability to expand their boundaries, there is a risk of improper facility segmentation from inaccurately estimating the users' total footprint. As mentioned earlier regarding Section 6.1, users should be required to clearly state the fraction of total energy and total electricity footprint represented by the facilities included in the WindMade claim.

#### ***Section 10: Calculation Methods***

REMA advises WindMade to consider the marketing impacts of the one year lag period on the issuance of the label with respect to the timeframe of the audit, verification and labeling processes mentioned in Section 10.2.

#### ***Section 11: Application and Verification Process, Section 12: Requirements to Reporting, and Section 13: Requirements to Internal Procedures***

Simplified and streamlined application, reporting and auditing processes would eliminate barriers to WindMade label use and avoid incremental cost burdens. In addition to annual membership fees, the proposed standard would require the labels' users pay an auditor for verification, which may range from a few thousand Euros to tens of thousands of Euros. These costs are likely high in the initial years, until the processes become formulaic. Once again, clarity and simplification of these procedures would be beneficial to the users. WindMade should seek to keep the processes simple by setting up good user interfaces or worksheets, such as a batch-verification, much like The Climate Registry has for its participants.

REMA proposes aligning requirements so that they meet those of other verification and certification systems, thus reducing the standalone verification charge burden's impact on users. The reporting and verification processes should be designed in a way that synchronizes with other existing systems and reduces incremental costs associated with participation. REMA encourages WindMade to establish approved auditors and auditing companies for this purpose.

#### ***Annex I: Guidelines for Approved Renewable Electricity Certification Programs***

The third party verifier referenced in Section 3 of Annex I implies additional costs associated with a first-time user fee. The labeling program should strive for reduced incremented costs associated with participation. Also, REMA asks for clarification on whether the eligible source definitions in Section 1 of

Annex I precede the standards of established verification programs, or if the participating certification programs' rules inform these standards.

***Annex VI: Green Credentials***

To increase WindMade's manageability, REMA recommends that it accept a variety of pathways for reporting green credentials aside from unique identification numbers. To allow this flexibility, WindMade would need to defer to the certification program of jurisdiction. This approved program would then clarify RECs handled without tracking data or those with attestation tracking. If this cannot be done, WindMade would potentially need an entirely new branch to determine new standards in addition to those of other certification programs. This would prove overly and unnecessarily burdensome. In short, REMA asks that WindMade clarify this as well as its jurisdictional partners' roles in REC reporting, such that in the case of a conflict in the WindMade standard and the standard of an Annex II certification program, then the standards of the certification program should govern.

***Concluding Remarks***

Again, REMA thanks WindMade for taking its comments on the WindMade Standard for Companies and Organizations into consideration. Incorporating REMA's recommendations will enhance the constructive process to improve the functionality, clarity and scope of the labeling program. These improvements will allow WindMade to responsibly and strategically promote the labeling program while simultaneously encouraging meaningful purchases of renewable energy that allow individuals and businesses to go above and beyond statutory obligations.

For additional questions or clarification on the provided comments, please contact Joseph Seymour, REMA Policy and Governmental Affairs Coordinator, at [jseymour@ttcorp.com](mailto:jseymour@ttcorp.com).

Sincerely,



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