



HB 92 (Kilgore) Electric Cooperatives - Renewable Energy Certificates

*******Please Oppose HB92; Do not allow Coop to mislead their customers.**

- This legislation would reverse a State Corporation Commission ruling that effectively prohibits utilities from promoting Renewable Energy Certificates (RECs) as Green Power. The SCC has held that RECs are not the same thing as Green Power and cannot be marketed as such. HB92 would allow Coops to market RECs as Green Power
- **Real Green Power could cost \$0.10/KWh or more depending on the actual cost of production, but a consumer, for example, can buy RECs from Dominion for only \$0.015/KWh (a penny and a half). Green Power costs five times or more than RECs clearly demonstrating that RECs are NOT the same as Green Power and should not be marketed as Green Power.**
- The industry defines Green Power as the electricity generated by a renewable resource such as wind or solar. The operator of a renewable generation facility may not only sell the electricity, but also RECs that certify the electricity is indeed from a renewable resource. The operator has the choice of selling these separately or bundling them.
- Under current law, as long as a utility is not offering a 100% Green Power option to its customers, other providers of 100% Green Power may provide that service to the utility's customers.
- HB 92 would reverse this SCC ruling by legislating that Cooperatives selling "undifferentiated electrical energy bundled with a quantity of Renewable Energy Certificates equal to 100 percent of the electrical energy provided" would constitute Green Power.
- This bill is unfair to consumers because Coops could market Renewable Energy Certificates as Green Power. RECs bundled with undifferentiated electrical energy is not Green Power.
- Additionally, this bill would preclude legitimate marketers of Green Power from selling that power to a Coop's customers, thereby denying retail choice to the customers.
- Electric Cooperatives have the right, without further enabling legislation, to submit a tariff to the SCC for approval, to sell RECs to their customers.
- **If this bill is to pass, at minimum the General Assembly should require Coops to disclose the source of the RECs they are selling to consumers. RECs range widely in cost and in the sources of renewable energy used. See reverse side.**

HB 92 – continued:

Renewable Energy Certificates range widely in cost and in the nature of the renewable energy being provided. The US Department of Energy has a list of Retail and Wholesale providers of RECs on the DOE website that illustrate the range of products available. The retail certificates range in cost from \$0.005 to from the Carbonfund.org for 99% new wind and 1% solar to more that ten times as much at \$0.056 from the Bonneville Environmental Foundation for 100 new solar. See:

<http://apps3.eere.energy.gov/greenpower/markets/certificates.shtml?page=1>

Recommended amendment to HB 92:

On page 4. line 211. at the end of the sentence, add: *The cooperative shall disclose to its retail customers the provider of the Renewable Energy Certificates, the nature of the renewable energy being offered and the cost of the certificates to the cooperative.*