

# SOLAR POWER USE CLAIMS

Do you own the renewable energy certificates (RECs) associated with the PV system's solar production?

YES

NO

Do you own replacement RECs?

(i.e. less expensive RECs sourced from a different location or resource)

YES

NO

## ACCEPTABLE CLAIMS

- 1 "We installed a solar project on-site and our facility is powered with renewable energy."
- 2 "We are using solar energy from a project whose development we facilitated."
- 3 "We are using on-site solar to match X percent of our annual electricity use."
- 4 "Our PV system is powering our facility with solar electricity and reducing our carbon footprint."
- 5 "By using X MWh of zero emissions on-site solar energy, we have reduced our Scope 2 emissions and our organization's carbon footprint."

## UNACCEPTABLE CLAIMS

- 6 "Our PV system is powering our facility with solar electricity and reducing more than X tons of emissions annually."

## ACCEPTABLE CLAIMS

- 7 "We installed a solar PV project and the developer retained the RECs to help finance the project. We purchased replacement RECs from a different project so that our electricity is renewable."
- 8 "We generate renewable electricity from our self-financed on-site solar project, but sell it to our local utility. In its place, we purchase a REC-based bundled wind power product to power our own operations with renewable electricity through a separate transaction."
- 9 "Our PV system generates and supplies renewable electricity to the grid. We use wind power by purchasing RECs equal to X percent of our annual power use."
- 10 "We sell the solar electricity generated from our on-site system, and have replaced it with renewable electricity from another zero-emissions renewable resource."

## UNACCEPTABLE CLAIMS

- 11 "We use solar electricity."
- 12 "We host a PV solar system on our roof. We are solar powered."

## ACCEPTABLE CLAIMS

- 13 "We installed on-site solar but our utility receives the RECs from the system."
- 14 "We increase the amount of renewable energy on the grid by supplying our utility with the solar energy generated at our facility."
- 15 "Our project supplies solar electricity to our utility in order for it to meet its renewable energy goals."

## UNACCEPTABLE CLAIMS

- 16 "We have an installed on-site solar project and are powered by that renewable energy."
- 17 "We are using solar energy from a project whose development we facilitated."
- 18 "We are using on-site solar to match X percent of our annual electricity use."
- 19 "Our PV system is powering our facility with solar electricity and reducing our carbon footprint."
- 20 "By using X MWh of on-site solar, we have reduced our Scope 2 emissions by X tons of CO<sub>2</sub>."

## Solar Power Use Claims Explanations

Renewable Energy Certificates (RECs) are legal instruments used in renewable electricity markets to account for renewable electricity and its attributes. The owner of a REC has exclusive rights to the attributes of one megawatt-hour (MWh) of renewable electricity and may make unique claims associated with renewable electricity that generated the REC (e.g., using or being supplied with a MWh of renewable electricity, reducing the carbon footprint associated with electricity use). Claims based on a REC can only be made by one party. Once made, no other entity can legitimately make claims on the electricity associated with that REC.

The explanations below correspond numerically to the example claims in the accompanying flow diagram and are designed to provide guidance to organizations that have, or are considering installing, on-site solar systems as to the types of claims they can legitimately make pertaining to their “use” of solar power and any associated carbon footprint reduction claims.

### On-site Solar System & Own Associated RECs

*If your organization has a solar PV system on-site and keep the RECs associated with the system’s electricity generation.*

#### Explanations for Acceptable Claims:

1. By owning and retaining the associated renewable energy certificates (RECs) from the solar system you can legally substantiate claims of using the renewable electricity produced by that onsite project. This claim statement could be improved by recognizing your organization’s ownership of the RECs associated with the on-site project, since installing a project does not explicitly convey that you own the RECs from the project. Furthermore, be sure to always make claims that match the scope of your green power use. If you are using green power for a subset of your organization (i.e., facility-level), you should communicate the scope of your green power use (i.e., at “our facility”) when making your claims.
2. By owning and retaining the associated renewable energy certificates (RECs) from the solar system you can legally substantiate claims of using the renewable electricity produced by that onsite project. Direct ownership and self-financing of a renewable project offers the most intuitive and direct connection to claims of project facilitation.
3. By owning and retaining the associated renewable energy certificates (RECs) from the solar system you can legally substantiate claims of using

the renewable electricity produced by that onsite project. The statement related to the percent of renewable electricity use should also be based on the MWh equivalent represented by the RECs produced by the on-site system and any

4. By owning and retaining the associated renewable energy certificates (RECs) from the on-site solar system you can legally substantiate claims of using the renewable electricity produced by that onsite project. Owning and retaining the solar RECs from the project also substantiates your use of zero emissions electricity, which supports the claim of reducing your carbon footprint or Scope 2 emissions (Scope 2 are the indirect GHG emissions associated with the consumption of purchased electricity under a greenhouse gas inventory).
5. By owning and retaining the associated renewable energy certificates (RECs) from the solar system you can legally substantiate claims of using the renewable electricity produced by that onsite project. Owning and retaining the solar RECs from the project also substantiates your use of zero emissions electricity, which supports the claim of reducing your carbon footprint or Scope 2 emissions (Scope 2 are the indirect GHG emissions associated with the consumption of purchased electricity under a greenhouse gas inventory). The project/REC owner, however, should take care to not make claims about reducing either direct or global emissions, as a REC instrument does not convey ownership of a ton of direct emissions reductions to its owner as would a project offset instrument. If the solar project owner either does not own or chooses to sell the associated RECs/attributes from the system, the new owner/buyer is the only one who can claim the solar attributes. If the solar project owner and the new REC buyer both claim the same environmental benefits or to both be using energy produced by the same solar project, then that is considered a double claim on the same MWh of solar.

#### Explanation for an Unacceptable Claim:

6. Unlike carbon offset instruments, RECs do not convey to their owner a claim of a ton of emissions reduced. RECs are measured in MWh increments/units and only convey to their owner a renewable electricity use claim regarding that MWh. There is no contractual mechanism that exists under a bilateral renewable energy contract that would have the electric utility (a third-party to the bilateral contract and the actual owner of the direct emissions reduction associated with electricity generation) give

up their ownership of the direct emission claim to a renewable electricity user. Because RECs do not convey a ton of emissions reduction to its owner, these types of claims should be avoided.

### On-site Solar System & Do Not Own Associated RECs, but Purchase Replacement RECs

*We have an on-site solar PV system, but do not own the RECs associated with that system's electricity generation. We purchase RECs to replace the RECs the solar system generated.*

#### Explanations for Acceptable Claims:

7. This claim statement conveys that you do not own the RECs associated with your solar project and replacement RECs were procured from a different project in their place. The consumer's renewable electricity use claims would now be based on the attributes (i.e., resource type, location, vintage) conveyed by the replacement RECs – not from the original solar RECs sold from the customer's own solar project.
8. This claim statement conveys that the renewable electricity (e.g., both RECs and energy) associated with the consumer's self-financed solar project was sold to the utility. An owner of a renewable energy project can always make the claim to be generating renewable energy, but in order for the project owner to also claim to be using renewable energy (e.g., a consumer) they must be able to substantiate their use by owning the associated renewable energy attributes (i.e., RECs). The claim statement also conveys that through a separate transaction the customer is also buying a REC-based wind power product so that the organization can claim to be using renewable electricity for its operations.
9. This claim statement conveys that the renewable electricity (e.g., both RECs and energy) associated with the customer-sited solar project was sold and supplied to the electric grid. An owner of a solar energy project can always make the claim to be generating renewable energy, but in order for the project owner to also claim to be using renewable energy (e.g., a consumer) they must be able to substantiate their use by owning the associated renewable energy attributes (i.e., RECs). The claim statement also conveys that replacement wind RECs were procured from a wind resource in order to substantiate the consumer's claim of using renewable electricity in an amount equal to the percent specified in the claim.
10. This claim statement conveys that the RECs associated with the electricity generated from the customer-sited solar are sold. An owner of a

renewable energy project can always make the claim to be generating renewable energy, but in order for the project owner to also claim to be using renewable energy (e.g., a consumer) they must be able to substantiate their use by owning the associated renewable energy attributes (i.e., RECs). The claim also conveys that in replacement of the sold RECs, alternative RECs from a different zero-emissions renewable resource are procured. Claims must be specific to the type of renewable energy resource embodied in the REC. If the RECs that substantiate your claim are from a different project, avoid any suggestion that the renewable energy you are using is from your on-site solar system.

#### Explanations for Unacceptable Claims:

11. This claim statement is unqualified and not specific enough to inform readers about the source of your renewable energy use situation. Readers may presume that you are using solar power from your on-site solar project and not the solar energy that you purchased from a different project. An owner of a renewable energy project can always make the claim to be generating renewable energy, but in order for the project owner to also claim to be using renewable energy (e.g., a consumer) they must be able to substantiate their use by owning the associated renewable energy attributes (i.e., RECs). This claim statement does not convey where the solar use is coming from and could be misleading.
12. This claim statement is unqualified and not specific enough to inform readers about the source of your renewable energy use. Readers may presume that you are using solar power from your on-site solar project and not the solar energy that you purchased from a different project. An owner of a renewable energy project can always make the claim to be generating renewable energy, but in order for the project owner to also claim to be using renewable energy (e.g., a consumer) they must be able to substantiate their use by owning the associated renewable energy attributes (i.e., RECs). The claim does not convey where the solar energy is coming from and could be misleading.

### On-site Solar System & Do Not Own Associated RECs

*We have an on-site solar PV system and do not own the RECs associated with that system's electricity generation.*

#### Explanations for Acceptable Claims:

13. This claim statement conveys that while a solar project may be hosted by the system owner, the electricity generation and associated RECs are

owned by another party. Without exclusive ownership of any RECs, you cannot publicly claim the use of renewable electricity or having reduced your carbon footprint. An owner of a renewable energy project can always make the claim to be generating renewable energy, but in order for the project owner to also claim to be using renewable energy (e.g., a consumer) they must be able to substantiate their use by owning the associated renewable energy attributes (i.e., RECs).

14. This claim statement conveys that while a solar project may be hosted by the system owner, the electricity generation and associated RECs are sold to the utility and no replacement RECs are procured. Without exclusive ownership of any RECs, you cannot publicly claim the use of renewable electricity or having reduced your carbon footprint. An owner of a renewable energy project can always make the claim to be generating renewable energy, but in order for the project owner to also claim to be using renewable energy (e.g., a consumer) they must be able to substantiate their use by owning the associated renewable energy attributes (i.e., RECs).
15. This claim statement conveys that while a solar project may be hosted by the system owner, the electricity generation and associated RECs are transferred to the utility and no replacement RECs are procured. Without exclusive ownership of any RECs, you cannot publicly claim the use of renewable electricity or having reduced your carbon footprint. An owner of a renewable energy project can always make the claim to be generating renewable energy, but in order for the project owner to also claim to be using renewable energy (e.g., a consumer) they must be able to substantiate their use by owning the associated renewable energy attributes (i.e., RECs).

#### Explanations for Unacceptable Claims:

16. Because you are not the exclusive owner of the renewable energy certificates (RECs) associated with the solar project and therefore cannot legally substantiate your claims about using the solar electricity produced by your project.

17. Because you are not the exclusive owner of the renewable energy certificates (RECs) associated with the solar project and therefore cannot legally substantiate your claims about using the solar electricity produced by that system.
18. Because you are not the exclusive owner of the renewable energy certificates (RECs) associated with the solar project and therefore cannot legally substantiate your claims about using the solar electricity produced by that system.
19. Because you are not the exclusive owner of the renewable energy certificates (RECs) associated with the solar project and therefore cannot legally substantiate your claims about using the solar electricity produced by that system. Owning and retaining the solar RECs from the project also substantiates your use of zero emissions electricity, which supports the claim of reducing your carbon footprint or Scope 2 emissions (Scope 2 are the indirect GHG emissions associated with the consumption of purchased electricity under a greenhouse gas inventory).
20. Because you are not the exclusive owner of the renewable energy certificates (RECs) associated with the solar project and therefore cannot legally substantiate your claims about using the solar electricity produced by that system. Owning and retaining the solar RECs from the project also substantiates your use of zero emissions electricity, which supports the claim of reducing your carbon footprint or Scope 2 emissions (Scope 2 are the indirect GHG emissions associated with the consumption of purchased electricity under a greenhouse gas inventory).

#### Additional Resources

- U.S. Environmental Protection Agency's Green Power Partnership. Solar Power Use Claims. <https://www.epa.gov/greenpower/solar-power-use-claims>
- U.S. Environmental Protection Agency's Green Power Partnership. Guide to Making Claims About Your Solar Power Use. <https://www.epa.gov/greenpower/making-solar-claims>
- U.S. Environmental Protection Agency's Green Power Partnership. Renewable Energy Certificate (REC) Arbitrage. <https://www.epa.gov/greenpower/REC-arbitrage>