



RENEWABLE ENERGY – SUPPLIER CONTRACTS WHAT MARYLAND CONSUMERS NEED TO KNOW

- All electricity supply sold to Maryland consumers **must** include a certain percentage of renewable energy
 - MD: Renewable portfolio standard (**RPS**)
 - Applies to utility and all licensed electricity suppliers
 - 2020: 25 % (including 2.5% from solar)
 - 2030: 50% (including 14.5% from solar)
- There are retail supply alternatives if you are interested in supporting the growth of renewable energy resources
 - You want to support renewable energy above the RPS requirement
 - You want to support a specific type of renewable energy (e.g., solar)
- Some licensed electricity suppliers offer renewable energy supply
 - Check out OPC’s price comparison guide
 - www.opc.maryland.gov
- The commitment to supply you with renewable energy must be clearly stated in your contract
 - Understand what you are getting when you buy “renewable” energy
 - Compare other general contract terms on price, fees, cancellation policies
 - Check out OPC’s Fact Sheet on Contracting Terms
 - The contract must state the RPS for each year covered by the contract, so that you know the amount of renewable energy that you are paying for above the RPS
- **Common terms – no single definitions**
 - **Renewable energy**
 - Produced from a variety of naturally replenished resources
 - Examples: solar PV, solar thermal, wind, geothermal, hydropower, biogas, waste-to energy or a combination
 - Does not include fossil or nuclear fuels
 - **Green power** (as defined by EPA)
 - A subset of renewable energy
 - Solar
 - Wind
 - Geothermal
 - Biogas (includes landfill gas)

- Biomass
 - Low-impact small hydroelectric resources
- **Clean energy – not necessarily the same as renewable energy; no common definition but may include:**
 - Renewable energy
 - Energy efficiency
 - Nuclear
- **Renewable energy – what are you getting?**
 - You can compare supply offers based on types of renewable resources, and characteristics:
 - Physical: size, location, fuel type
 - Environmental
 - Economic: Jobs and economic development
 - Social: Health and safety; social equity
 - Renewable energy generation has 2 products
 - Physical electricity
 - Renewable Energy Certificate (**REC**)
 - An energy supplier may purchase both together, or the REC can be purchased separately
 - The supplier must have ownership of the REC
 - You will not get “green electrons”
 - Renewable energy is mixed with other generation resources on the electricity grid
 - It is not possible to track physical electrons from point of generation to point of use
- **What are RECs?**
 - A REC represents the property rights to the environmental and other qualities of renewable energy
 - A REC puts a dollar value on the environmental benefits of 1,000 kwh (1 MWH) of renewable energy
 - RECs allow the purchase of renewable energy across broader geographic areas
 - The sale of RECs supports the development of renewable energy resources in the U.S and may reduce the use of fossil fuel-based generation resources
 - See www.epa.gov/greenpower
- **What is “Certified Green” Electricity?**
 - An independent organization certifies and verifies the renewable energy resource under its standards
 - Green-e Energy is one independent certification and verification program for renewable energy
 - Administrator: Center for Resource Solutions
 - Check out www.green-e.org

- What does it certify and verify?
 - List of Green-e certified energy suppliers in Maryland
- Certified suppliers will have a Green-e logo

- **Questions to ask – What are you interested in supporting?**
 - Is the percentage of renewable energy listed in the contract incremental to the Maryland RPS requirement?
 - What exactly is the **source** of renewable energy you are supporting –wind; solar? Biomass? Renewable (multiple sources)
 - What is included in “biomass” resources?
 - Examples: woody waste, black liquor (pulp and paper processing), agricultural crop residue, animal or poultry waste, landfill gas; waste to energy
 - What **percentage** (%) of the total supply is renewable?
 - What is the percentage of each source in a contract term labeled “renewable”?
 - What is the **location** source of the supply?
 - Maryland
 - Regional (PJM states)
 - Outside of, but adjacent to, a PJM state, with delivery to PJM regions
 - In any other state
 - When did the generation occur?
 - Is the renewable generation over and above the mandated RPS standard in Maryland?

- **Marketing claims to avoid**
 - Do not rely on general marketing statements
 - “We support clean energy”
 - “We buy wind power”
 - “Your purchase will reduce emissions”

 - The contract should clearly state whether the supplier will purchase the supply plus RECs, or RECs only, and identify the type and location of the supply

**For more information on renewable energy, see
www.epa.gov/greenpower**