

# 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
    - 2017: 13.1% (including 1.15% from solar)
    - 2020: 25.0% (including 2.5% from solar)
- There are alternatives if you are interested in supporting the growth of renewable energy resources
- Some licensed electricity suppliers offer renewable energy supply
  - Check out **OPC's price comparison guide**
    - [www.opc.maryland.gov](http://www.opc.maryland.gov)
- The commitment to supply you with renewable energy must be clearly stated in your agreement
  - 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**
- **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

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- Energy efficiency
  - Nuclear
- **Renewable energy – what are you getting?**
  - You can compare supply offers based on type of renewable resource, 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](http://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](http://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?**
  - 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”

For more information on renewable energy, see  
[www.epa.gov](http://www.epa.gov)