

**An Analysis of Vermont RECs
(Renewable Energy Certificates)
for the
Vermont Senate
Committee on Natural Resources and Energy
by Vermont Law School
February 2016**

OUTLINE

- I. Definition of the term as used in Vermont (x-ref Vermont law and significance in Act 56 of 2015).
- II. An analysis for RECs from 4 major perspectives:
 - A. Legal**
 1. Define them legally as used in Vermont, citing their significance in current law as well as under Act 56 of 2015, which will determine their use for the period 2017-2032
 2. Who owns them?
 3. Who recognizes/certifies them? Is this the same for large projects and small ones?
 4. Are Vermont RECs legally different than those of other states
 5. What are “environmental attributes” as opposed to RECs?
 6. From a consumer’s point of view, what is an accurate description of a PV project in terms of its “greenness”? (see the recent work by the Vermont Attorney General, as well as the concerns of Professors Kevin Jones and Jared Carter). What should be disclosed to purchasers of electricity from a Vermont net-metered array if the RECs are retained/retired versus sold?
 7. What should be disclosed to purchasers of electricity from a Vermont non-net-metered array owned by a distribution utility if the RECs are retained/retired versus sold?
 8. What should be disclosed to purchasers of electricity from a Vermont non net-metered array owned by a private company if the RECs are retained/retired versus sold?
 9. What are the essential attributes of a “community solar array” and how are the RECs handled? How is “community solar array” defined--e.g. must it be municipally owned?
 - B. Environmental**
 1. In what way(s) do RECs support Vermont’s environmental goals?
 - a) name and define Vermont’s environmental goals, citing REC-relevant statutes, programs and policies
 2. How do RECs compare to RGGI?

C. Engineering

1. When a solar generation facility produces electricity, what is the impact on electrical usage within Vermont? within ISO-NE? More specifically, does PV generation in Vermont, reduce the use of fossil-fueled generation within the region?

D. Financial

1. How do RECs influence the generation of RE in Vermont? when they are retired in Vermont? when they are sold out of state by a DU to meet another state's RPS? when they are sold out of state by a private developer?
2. How does the "Cow Power" programs (and other such "green pricing" programs) treat RECs, and how is that different from or similar to the treatment in net metering?

III. Conclusions and Recommendations

REFERENCE

On Vermont AG's action on solar:

<http://vtdigger.org/2015/12/20/vermont-attorney-general-warns-solar-companies-to-stop-false-marketing/>