

Solar Starter Guide



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Introduction

The Northwest Solar Cooperative has teamed with the Bonneville Environmental Foundation (BEF) to launch “Solar Starters” – a unique program that allows participating small-scale photovoltaic (PV) solar installations to earn 10 cents per kWh for every kWh produced and net-metered back into the energy grid through the sale of Green Tags produced from the system.

Systems are eligible for 5 years of annual payments that begin to accrue as soon as a contract is signed and the solar system starts generating energy into the power grid.

Average customers will receive approximately \$1,000 over the life of the program on a 2 kW system. Customers with larger systems or above-average solar output may receive higher payments.

This opportunity is in addition to any savings through exchanging electricity with your participating utility or any state and/or federal tax credits that may be available.

Eligible systems include those located in Oregon or Washington that were placed into service on or after June 1, 2002.

Expanded FAQ

What is a Green Tag?

A Green Tag is a simple way to capture and market the benefits that occur in our environment when renewable energy replaces energy from burning fossil fuels. It’s an easy way for people to share the above-market costs of changing the makeup of our energy mix by supporting cleaner technologies such as wind or solar.

Green Tags represent an easy way for you as the owner of a solar resource, to share the benefits of your system with others, while lowering some of your costs. Think of it as an environmental rebate for increasing the amount of solar energy delivered into our collective energy grid.

Specifically, owners of small-scale net-metered PV solar systems may earn revenue by selling the rights to the *Non-Power (or Environmental) Attributes* generated from their system.

Commonly referred to as “*Green Tags*,” these *non-power attributes* represent the environmentally harmful pollutants that **do not occur** when energy demand is met with production from a clean renewable resource rather than from burning fossil fuels.

When you introduce your net-metered solar electricity into the energy grid, somewhere else on the interconnected grid there is a fossil fuel energy producer who will produce less energy. That same demand is now being met by your system and less pollution occurs as a result.

This savings (or offset) of pollution is based on a measured number of kilowatt-hours produced from a clean renewable resource.

A Green Tag is a certificate that captures this measurement of renewable energy produced and the pollution that did not occur when a fossil fuel burning resource is replaced by a clean renewable resource.

One BEF Green Tag represents the environmental equivalent of 1,000 kilowatt-hours of renewable energy, which equals a savings of 1,400 pounds of carbon dioxide and other harmful air emissions.

The purchaser of a Green Tag has the sole right to claim the offset in pollution that has occurred as a result of the renewable energy produced. In essence, they have paid to make this pollution offset possible and have earned the right to take full credit.

Customers purchase Green Tags for a variety of reasons, but for many it represents a simple way to support the development of new renewable energy systems and facilitate change in the makeup of the electricity we all use.

In many ways, a Green Tag is similar to “green power.” People opt to pay a little more for their electricity in order to meet the above market costs of energy produced from newer and cleaner technologies. A Green Tag does the same job, however it is sold separately from the electricity and delivery is not limited by power transmission lines.

When we split the electricity from the Green Tag, we can sell the— *generic commodity electricity* to one customer and the *environmental offsets* to another.

It may seem unconventional to sell output from a renewable energy resource as two separate products: *generic commodity electricity* and *environmental attributes (“greenness”)*, however

we have found this approach makes renewable technologies more economical. It spreads the above-market costs of renewable energy among multiple customers.

It is also a simple way to enable people that want to support renewable energy to do so. For instance, your neighbor may want to support solar energy, but their roof may not have good solar exposure. By purchasing Green Tags, they can help to reduce the system costs for someone like you who has good solar exposure and is willing to share the environmental benefits of your solar system.

If you are the owner of a small solar system you may have the opportunity to improve system payback by receiving financial benefits from two separate sources:

- From the savings you enjoy when you send electricity back into the grid rather than drawing from the grid. (You typically offset the current rate for electricity – check with your local utility.)
- From Solar Starters for the rights to the Green Tags produced from your system, paid at 10 cents per kilowatt-hour.

What is BEF?

The Bonneville Environmental Foundation (BEF) is a non-profit organization established in 1998 to further the development and use of new renewable energy resources. Through revenues generated from the sales of green power products, BEF funds projects that restore damaged watersheds and support new renewable energy projects using solar, wind and biomass resources. BEF pioneered the sale of Green Tags in 1999 and has helped establish national standards for certification and trading of Green Tags. Created by regional environmental groups and the Bonneville Power Administration, BEF operates collaboratively but independent of both. Visit online at www.B-E-F.org.

What is Solar Starters?

Through a program called “Solar Starters,” BEF is currently working to increase the number of grid-tied, solar energy systems installed throughout the Pacific Northwest. Solar Starters was launched to provide additional financial incentives to small-scale/individual solar developers who share the Foundation’s vision for changing the makeup of our collective energy grid.

What is the Northwest Solar Co-op?

The Northwest Solar Co-op (NWSC) is a not-for-profit service operated by Cascade Solar Consulting (CSC). The Cooperative purchases solar power (photovoltaic only) Green Tags from many individual private sellers throughout the region, aggregates them, and sells them in one package to the Bonneville Environmental Foundation. NWSC has the exclusive contract to aggregate and sell PV Green Tags to BEF from throughout Oregon and Washington.

How Does Solar Starters Work?

Qualified PV solar system owners contract to sell the non-power/environmental attributes produced from their system to NWSC.

Initially, solar owners will provide NWSC with their system size and location specifications. Annually, owners will provide NWSC with a meter reading to determine the number of kilowatt

hours generated by the system. NWSC will compute the number of Green Tags equal to these kilowatt-hours produced and forward this information on to BEF. NWSC then collects a total payment from BEF for delivering Green Tags and then distributes the individual payments to program participants. BEF then remarkets these Green Tags to its customers.

Who Can Join Solar Starters?

Any legal entity (i.e., an individual, a corporation, a partnership, etc.) that owns one or more grid-tied electric generating facilities powered by PV solar, where each system meets each of the following requirements:

- Located in Oregon and/or Washington;
- Purchased as new and placed into service on or after June 1, 2002;
- Meets all building and/or electrical code requirements, all interconnection requirements, and all other legal requirements for the state in which the system is installed;
- The solar generator/seller cannot have sold, granted, or otherwise released his/her legal rights to the Green Tags being sold to NWSC/BEF; and
- The solar generator/seller agrees to sell **all** of the Green Tags produced from their system during the term of the agreement.

Why Sell Green Tags?

By selling Green Tags produced from your solar system, you will earn additional revenue to help cover the costs of your system. You will also help Bonneville Environmental Foundation meet the demands of its customers seeking to support more solar resources – it's a way to share the benefits of your system with others, while they share the costs with you. You will also help send the message to the energy market that solar PV is a renewable resource worth investing in and that there are ways to make its technology more economical.

How Does Green Tag Payment Work?

Within 90 days of the end of each calendar year, NWSC will call on system owners for their meter information to calculate the number of Green Tags produced. Soon after, NWSC will send owners a payment for the Green Tags actually produced under their production contract.

How do I Sell Solar Green Tags?

You, the renewable energy generator, enter into a contract with a NWSC agreeing to sell all of the Green Tags produced by your new PV solar system.

What Environmental Claims Can I Make Once I Sell My Green Tags?

Once a system owner has entered into an agreement with NWSC (or any other Green Tag buyer) to sell all the Green Tags that their PV system can produce during the contracted production period, they have relinquished the right to make certain environmental claims about the electricity produced from their system.

This means that you (the solar resource owner) have agreed to split the environmental benefits from the electricity produced from your system and are now sharing these with others. Sharing these benefits with others requires trust, and assurances that these environmental benefits are only sold once and have not been claimed by another person (including you, the original owner of the solar resource).

This trust is especially important when discussing the benefits your own solar resource. Like you, we are excited to spread the word about renewable energy and wish to encourage others to get involved in supporting electricity produced free of pollution. The following are some guidelines for discussing the benefits of your solar system without compromising the trust of those who help to support your system through purchasing your Green Tags:

You are encouraged to explain to people that you own a solar system, you are using the electricity (or sending some back to the grid), and you are selling the environmental attributes (Green Tags) separately to another party. Providing this explanation helps spread the word about the value of the Green Tags approach.

Once you agree to sell Green Tags, your system is no longer generating “green power.” It is now generating *commodity generic electricity* and *Green Tags* separately.

Any electricity produced that you may personally use (or send back to the grid) has now become *generic commodity electricity* and no longer has environmental claims associated with it.

An example of the subtleties in making environmental claims is that you may say that that your home has a solar producing resource and that you receive electrical power from it, however your home is not considered “solar powered.”

Although you may be producing clean solar energy from your home, through selling Green Tags, you are not using clean solar energy for your home. The claims to “clean solar” attributes have been sold to the person purchasing your Green Tags.

You may not claim personal responsibility for producing the environmental offsets/pollution reduction that occurred as a result of your solar system. This right belongs to the Green Tags owner.

You may, however, tell people that you own a PV solar system. You may also call yourself a renewable energy or solar generator as long as you do not make any environmental or “green” claims for the purpose of marketing or selling the actual electricity to an electricity buyer, where those claims relate to the Green Tags that you have sold to BEF/NWSC.

Here are some example claims you may or may not make, once you agree to sell your Green Tags to NWSC:

- You can say that you are the proud owner of a solar power system.
- You cannot say your home is solar powered. The power is now separate from its “solar power” attributes.
- You can say you have a solar power system at/on your home.
- You can say you’re producing clean energy at/on your home.
- You cannot say you are producing clean energy for your home. The person buying your Green Tags is paying for this right to claim the “clean” attributes and both parties may not make the same claim. That would be called “double-counting” and would be unfair.

- You can say that you're sharing "green" value with the entire region. When connected to the electricity grid, your system provides environmental benefit for everyone.
- You cannot say that you are saving the environment by producing solar power. You can say the solar system installed at/on your home is helping to save the environment, but you **cannot** say that **you** are saving the environment. The owner of the Green Tags has paid for that right.
- You can say that you're doing your part in making the energy supply "greener." Your grid connected energy causes no greenhouse gas and displaces an equal number of kWhs of energy that would have been produced from fossil fuels.
- You cannot say your home saves a number of pounds of carbon dioxide every year by producing solar energy. Again, the owner of the Green Tags has paid for this right to claim your system's pollution offsets.
- You cannot make different claims to print media, broadcast media, or private circles. The rules around Green Tags are the same, public or private. You should take great care to make claims consistent with this document. The safest bet would be to state that your PV solar system produces clean energy. Beyond this, if you wish to go into greater detail (i.e., you sell Green Tags,), you need fully and clearly disclose these details.

When in doubt about the environmental claims you can make regarding Green Tags or your Solar resource, please contact the Northwest Solar Co-op or the Bonneville Environmental Foundation.

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