

# Residential RECs

IECC: (New), R406.3.3 (New), R406.6.4

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## 2018 International Energy Conservation Code

**Add new text as follows:**

**Renewable Energy Certificate (REC)**, an instrument that represents the environmental attributes of one megawatt hour of renewable energy; also known as an energy attribute certificate (EAC).

**R406.3.3 RECS Documentation.** Where onsite renewable energy is included in the calculation of an ERI, one of the following forms of documentation shall be provided to the *code official*:

**1.** Substantiation that the *RECs* associated with the onsite renewable energy are owned by, or retired on behalf of, the *homeowner*.

**2.** A contract that conveys to the homeowner the *RECs* associated with the onsite renewable energy, or conveys to the homeowner an equivalent quantity of *RECs* associated with other renewable energy.

**Revise as follows:**

~~**R406.6.3**~~**R406.6.4 Additional documentation.** The *code official* shall be permitted to require the following documents:

1. Documentation of the building component characteristics of the *ERI reference design*.
2. A certification signed by the builder providing the building component characteristics of the *rated design*.
3. Documentation of the actual values used in the software calculations for the *rated design*.

**Reason Statement:** This proposal impacts who may claim the environmental attributes of an onsite-renewable energy system. The environmental attributes of solar power, or other renewable energy, have market value that is reflected and transacted in RECs.

When the installer, leasing company or financial agent in the solar panel transaction strips that value from the homeowner by taking possession of the RECs, according to the Federal Trade Commission the power produced by the solar panels on the house would have an "unqualified claim" as renewable energy. To prevent this, the proposal ensures that environmental attributes are not double counted towards compliance with the IECC. While this proposal does not cite Green-E, the Green-E Standard describes the double counting that occurs when RECs have been transferred to another party in the renewable transaction:

*Examples of prohibited double uses include, but are not limited to:*

*1) When the same REC is sold by one party to more than one party, or any case where another party has a conflicting contract for the RECs or the renewable electricity;*

*2) When the same REC is claimed by more than one party, including any expressed or implied environmental claims made pursuant to electricity coming from a renewable energy resource, environmental labeling or disclosure requirements. This includes representing the energy from which RECs are derived as renewable in calculating another entity's product or portfolio resource mix for the purposes of marketing or disclosure;*

*3) When the same REC is used by an electricity provider or utility to meet an environmental mandate, such as an RPS, and is also used to satisfy customer sales under Green-e Energy; or*

*4) Use of one or more attributes of the renewable energy or REC by another party This includes when a REC is simultaneously sold to represent "renewable electricity" to one party, and one or more Attributes associated with the same MWh of generation (such as CO2 reduction) are also sold, to another party.*

To prevent the situation where double counting is credited within the ERI calculation, thereby artificially reducing ERI scores and allowing the the home to install fewer energy efficiency features than otherwise would be required, this proposal ensures that the homeowner retains possession of the RECs associated with onsite renewable energy systems. In the case where those RECs for the onsite system cannot be tranferred to the homeowner, an equivalent quantity of RECs must be provided.

**Bibliography:** Federal Register, Volume 77, Number 197; October 11, 2012; 16 CFR Part 260; "Guides for the Use of Environmental Marketing Plans".  
Green-e Renewable Energy Standard for Canada and the United States, Version 3.2; March 20, 2018.

**Cost Impact:** The code change proposal will increase the cost of construction. This proposal impacts who may claim the environmental attributes of an onsite-renewable energy system. The environmental attributes of the solar power have market value, reflected in RECs. The cost of installing solar panels may be reduced when the installer, leasing company or financial agent strips that value from the homeowner by taking possession of the RECs.