

Everyday Environmental Stewardship Plug in to GREEN electricity!

Dawn Tesorero



Key Issue:

Selecting Electric Suppliers

Stewardship Opportunity:

Purchasing “green electricity”

Many people automatically rely on fossil-fuel-burning major utility companies to supply their homes with electricity. Did you know you have a **choice** of your electricity supplier? **Competitive energy suppliers** purchase electricity for consumers while the electric utility continues to be responsible for *distributing* the electricity to your home and sending you a bill.

How do you choose a competitive energy supplier? How much renewable energy is used? Will you choose based on affordability or the amount and type of renewable energy? Will your purchase result in real and positive environmental change?

Highlights



The current mix of energy resources supplying New England includes: 37% Natural Gas; 27% Nuclear; 7% Oil; 6% Coal; 2% Hydroelectric, and 21% Other. www.nstar.com/residential/customer_information/nstar_green/product_label.asp All companies are required to supply 7% from renewable energy. Alternative or “green” electricity suppliers purchase **Renewable Energy Certificates** or **RECs**. When you purchase renewable power you are actually purchasing Renewable Energy Certificates equal to the amount of power that you used. **One REC = 1,000 kWh** of generated renewable power. By doing this you are stimulating the market for renewable power. RECs help the renewable power facilities remain economically viable against fossil-fuel power plants which can produce power at lower cost.

RECs are tracked and audited to ensure against double counting and fraud. Renewable energy certificates are certified by organizations such as *Green-e Energy*. They certify that a REC meets the minimum environmental and consumer protection standards established by the non-profit *Center for Resource Solutions*. To read more about **Green-e** go to http://www.green-e.org/getcert_re_stan.shtml. For more detail on Renewable Energy Certificates go to <http://www.epa.gov/greenpower/gpmarket/rec.htm>.

Most electricity plans allow you to choose a variable-priced product. Generally such products save consumers money when energy prices are falling. Fixed-price products offer price stability for a period of time, usually 6 months. They are often accompanied by a termination fee.

Tax Deductions:

In some cases, you can reduce your total cost of electricity by selecting an option that allows you to claim an income tax deduction. If the generation alternative that you choose adds **new** renewable energy capacity, such as wind or solar, income tax laws allow you to deduct that part of your electricity payment from your income. Any implication for your

income taxes will not show on your electric bill, but your supplier will let you know whether you can deduct electricity charges from your income, and how much. More details on tax deductibility are found on page 3.



Mass Energy's Easy Energy – Provides 3 choices

- **New England Wind – 100% wind**
 - **100 % New England sources**; sign long-term contracts while **projects still in development phase**
 - **Green-e Certified** and no cancellation fee.
 - You pay an additional 3.8¢/kWh & this portion is tax-deductible*
 - Additional cost supports advocacy for more renewable energy in Massachusetts
- **New England GreenStart 100% - 32% are from renewable sources**, 100% of which are in New England; **25% NEW and local sources**; **Green-e Certified**; You pay an additional 20%; **2.4 cents/kWh of costs are tax-deductible**
- **New England GreenStart 50%** - not certified; you pay an additional 10%; * **2.4 cents/kWh of costs are tax deductible**
New England GreenStart programs are a mix of wind, solar, digester gas (cow power), and low-impact hydro.



Viridian – 2 Choices

- **100% Green product is Green-e Certified and 100% wind energy**
- **Everyday Green product is Green-e Certified**
 - Mix of wind, hydro and biomass from Northeast US: CT, NY, NJ, PA, IL
 - 28% renewable energy, 21% more than the MA requirement
 - \$50 cancellation fee
 - No portion of your bill is tax-deductible;* however, benefits upstream charities if consumer signs up through a charity



NSTAR Green 50% electricity supports wind power and you pay an **additional 4.237¢/kWh**; the premium is partially tax-deductible. (2.4 cents/kWh is tax deductible)

NSTAR Green 100% electricity supports wind power at an **additional 8.012¢/kWh**

- NSTar Green 100% is certified by **Green-e Energy** and provides a **product content label**; the premium is partially tax-deductible. (3.8 cents/kWh is tax deductible).
- Wind power is generated at Maple Ridge Wind Farm in upstate New York and Kibby Wind Power in Maine.



National Grid GreenUp has 3 suppliers:

Community Energy; Sterling Planet and Massachusetts Energy Consumers Alliance

- Mix of wind, solar, small hydro and biomass depending on supplier
- For details: http://www.nationalgridus.com/masselectric/business/energychoice/4_greenup_provider.asp



PowerOptions – An alternative supplier only **available to non-profits** and structured through annual membership

- A cooperative of non-profits; who buy energy under negotiated prices and annual fee
- Wind and Solar options; “net metering credits” generated from solar systems located at another location in the state
- **Members pay an annual fee** based upon the size of the institution's annual electric and gas bills
- **Members pay lower electricity rates** depending on several variables.
- Does not appear to be Green-e certified

*Tax Deductions (Detailed)

If you itemize your federal tax deductions a portion of your electric bill may be tax deductible. Mass Energy is a 501(c) (3) non-profit organization and **3.8 cents of the Price per kWh** will be allocated to Mass Energy as a result of your participation in *New England Wind*. *That amount is eligible for a federal tax deduction if you itemize charitable contributions, and have no outstanding balance for this service.* Your deduction is based upon payments received by Easy Energy and remitted to Mass Energy on your behalf. The balance of your payment to Easy Energy and NSTAR are not tax-deductible. You may track your tax-deductible payments at www.massenergy.org by setting up a “Members Only” account. You will receive a tax letter from Mass Energy every January following a year you have participated in *New England Wind* detailing your tax-deductible amount.

For example, the average New England household uses about 7,000 kWh/year. If the price per kWh averages 12 cents over the year, you will pay Easy Energy \$840 and Easy Energy will pay Mass Energy 3.8 cents per kWh or \$266. If you itemize on your federal tax return and pay your entire electric bill, you will be able to deduct \$266. Your total charges and, therefore, the amount that is tax-deductible, will vary from month to month based on your electricity usage. *Above example is from Mass. Energy Consumers Alliance web page:*
<https://www.massenergy.org/files/uploads/news/Terms%20of%20Service%20-%20NEGS100.pdf>

Your Choice:

When choosing an electric supplier there are many criteria to consider in addition to cost. You may choose based on **whether the RECs are Green- e certified, the amount and type of renewable energy**, the percentage of the RECs that **support new sources of renewable energy** or the **location** of the sources. Renewable energy from Massachusetts may be more expensive than energy generated outside New England. Supporting **new sources** of renewable energy in Massachusetts helps bring prices down. Supporting new sources allows you – if you itemize your federal tax deductions- to deduct the premium (the cost above the basic price.)

What electric supply will you plug into?

Resources:

Mass Energy - <http://www.massenergy.org/renewable-energy/nstar>

Viridian - <http://viridian.com/Custom/CUST077/PersonalPages/AffordablyGreen.aspx>

NSTARGreen - http://www.nstar.com/residential/customer_information/nstar_green/nstar_green.asp

National Grid – GreenUp - http://www.nationalgridus.com/masselectric/home/energychoice/4_greenup_provider.asp

PowerOptions - <http://www.poweroptions.org/programs/Electricity-Program.html>