



Renewable Energy Use Certification

**Standard Audit Plan
May 2023**

1.0 Introduction

Renewable Energy Use (REU) certification demonstrates an organization's commitment to renewable energy use at their facility(ies). Many organizations are integrating renewable energy systems into their facilities and operations to reduce life cycle impacts. The use of renewable energy can reduce the embodied energy of a product and the organization's carbon footprint. If the company still has ownership of its Renewable Energy Credits (RECs), GreenCircle can certify the carbon footprint reduction associated with this renewable energy use. This document explains GreenCircle Certified, LLC's (GreenCircle's) audit process in performing our certification.

As part of GreenCircle's evaluation process, a detailed analysis of the organization's operations, energy consumption and renewable energy will be conducted. GreenCircle will certify a company's electricity use reduction based on renewable energy use. Certification requires that companies still own and have retired their Renewable Energy Credits (RECs) for renewable energy use.

2.0 Background

As companies begin to monitor and reduce their emissions across their value chain (scope 1,2 and 3), renewable energy usage is becoming an increasingly important step. Besides direct renewable energy use, businesses also have the opportunity to purchase REC's as part of their energy mix. In order for REC's to be accepted by GreenCircle they must be certified by Green-E or comply with equal or higher standards of transparency.

Companies who use renewable energy in their value chain and purchase acceptable RECs will be eligible for the Renewable Energy Use Audit and possible certification.

3.0 Goal

The goal of the Renewable Energy Use Audit Certification is to certify a company's claim they are using renewable energy systems and to certify that the use of RECs complies with Green-E or an equal or higher standard.

4.0 Exceptions

For a company to claim that they are supporting the development of new renewable energy generation, they must be entered into an agreement such as a *Virtual* Power Purchase Agreement (VPPA) or a Power Purchase Agreement (PPA) and be able to show through documentation that the agreement they are involved in supports the

development of a new renewable energy product. A company cannot buy unbundled REC's and claim they are helping to generate renewable energy.

5.0 Company Qualifications

Companies who utilize renewable energy to support operations will be eligible for a renewable energy use certification. During the proposal development process, GreenCircle will conduct initial meetings with the client to understand the current energy mix, use of renewables, and owned REC's to verify if the client will qualify for an audit and possible certification. It is not guaranteed that the renewable energy usage will be certified until a thorough audit is completed by GreenCircle.

In order to complete a renewable energy usage calculation, each source of energy used at the facility must be known. Our clients must provide documentation for all energy use claims.

6.0 Document Requirements

To qualify for certification a company must have at least six months of data from the past year that clearly describes and includes:

- Utility bills from the energy provider of the renewable energy
- Renewable energy certificates (RECs) for any purchased renewable energy certificates used to offset non-renewable energy sources
- Attestation if RECs have been retained for on site renewable energy sources
- Certificate of validity from a credible reviewer (Green-E or an equal or higher standard)
- Data from any on site meters that collect on-site renewable energy usage

7.0 Audit and Certification Process

7.1 Data Collection

GreenCircle will prepare a data request and conduct a conference call with the contact at each facility to discuss the required information and GreenCircle certification process. GreenCircle will complete data collection of specified utility data and renewable energy systems.

Accepted forms of renewable energy strategies beyond RECs include

- Onsite generation
- Power Purchase Agreements

- Virtual Power Purchase Agreements
- Green Power Purchase
- Renewable Natural Gas

7.2 Site Audit

If applicable, a GreenCircle Analyst will conduct a site audit at the facility to audit and verify the details of the installed renewable energy systems. The data collected on the audit will be used to complete renewable energy use energy reduction calculations.

7.3 Renewable Energy Use Calculations

GreenCircle will conduct a thorough review of all energy that comes from renewable sources. GreenCircle will also verify that any REC's claimed to be owned are currently valid and comply with Green-E standards. After understanding the full energy mix, GreenCircle will divide the renewable energy sum by the total energy usage for that period. GreenCircle will then certify the percent of energy use that comes from renewable sources for that period.

7.4 Audit Deliverables

Upon verification of the renewable energy use claims, GreenCircle will issue GreenCircle Certified, LLC certificates and marks for the facility. The certificate will document that an independent evaluation of renewable energy use has been conducted on behalf of the company for the specified facility. The certificate will include a percentage energy reduction. GreenCircle will prepare a written report on the renewable energy use audit findings, list the facility and certificate on the GreenCircle website, and provide GreenCircle marks for use in marketing.

8.0 Annual Recertification Process

All certified claims are recertified annually. It is important for GreenCircle to evaluate any changes within the operations or manufacturing processes to ensure continued compliance with the established criteria. Completion of recertification ensures continued transparency and further use of the GreenCircle mark.

9.0 Key Terminology

Green Power: A company (site purchases renewable energy within their grid mix from their local utility

Power Purchase Agreement (PPA): A company (site) provides space for a renewable energy developer to install a renewable power generating project. The developer owns the project and the company receives renewable energy. The company may own RECs depending on contracts

Renewable Energy Credit (RECs): The only way you can claim renewable energy is by owning the credit and retiring it. Only apply to scope 2 emissions.

Renewable Energy System: Examples of renewable energy systems include: Solar (Photovoltaic) Systems, Wind Turbines, Solar Hot Water, and Geothermal.

Virtual Power Purchase Agreement (VPPA): A developer installs a system (not local) and sells energy to the grid. A company can pay a fixed rate for energy and gain RECs, and the company receives energy directly from the grid.

Renewable Natural Gas: These options can be purchased from systems such as landfills, anaerobic digesters, etc.

10.0 Complaints, Appeals and Disputes

GreenCircle must be contacted immediately if there is a complaint, appeal and or dispute brought against a certification that GreenCircle has verified. GreenCircle will follow the Appeals, Complaints and Disputes procedure to review and resolve the issue.

11.0 Guidelines for Private Label User

Client will advise any private label clients, or downstream re-sellers of the product certified to enter into a separate agreement with GreenCircle regarding the use of the GreenCircle Mark on private label product and promotional materials. Please contact GreenCircle directly for more information.

12.0 Labeling Requirements

The client agrees to promptly cease display and use of the GreenCircle Certified, LLC mark: (1) Upon expiration of the certification period; (2) if client is no longer in compliance with one or more of the terms and conditions of the GreenCircle Certification Agreement. Please reference the **GreenCircle Certified Mark Usage Guidelines** for further details and more information on using the mark. The client shall take caution to ensure that the GreenCircle Certification mark is not associated with products and/or operations which do not comply with the GreenCircle Certification System (GCCS). The client will be asked to remove the GreenCircle mark immediately if it is found that they have applied the mark on a non-conforming GCCS product and/or

operation. If the client fails to remove the misused mark, an investigation will be conducted pertaining to the misuse, in which the full cost of the investigation shall be borne by the client. The client shall not allow the GCCS Certification mark to remain on non-conforming products offered for sale. Such action could invite prosecution under U.S. Trademark statutes or attract other penalty provisions in other U.S. or State law.

Amendment History

| Date | Issue | Summary of Amendments |
|----------|--------|---|
| 5/1/2022 | Rev. 0 | Separation from Sustainable Manufacturing Practices Audit |
| 5/1/2023 | Rev. 1 | Expanded documentation requirements |
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