

# Renewable Energy Certificates (RECs)



A REC is created for each megawatt hour (1 MWh, or 1,000 kilowatt-hours) of renewable electricity generated and delivered to the power grid.

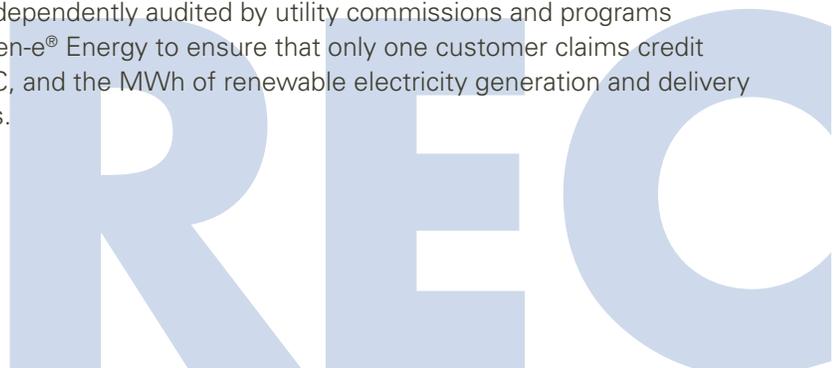
Renewable Energy Certificates (RECs) enable organizations to comply with state Renewable Portfolio Standards, channel funds to renewable energy projects and green their electricity.

A REC is created for each megawatt hour (1 MWh, or 1,000 kilowatt-hours) of renewable electricity generated and delivered to the power grid.

Purchasers of RECs provide renewable energy project owners with a revenue stream that supplements the revenue they secure from the sale of the project's electricity. These additional revenues improve renewable energy project economics, increasing their competitiveness with fossil fuels like coal and natural gas.

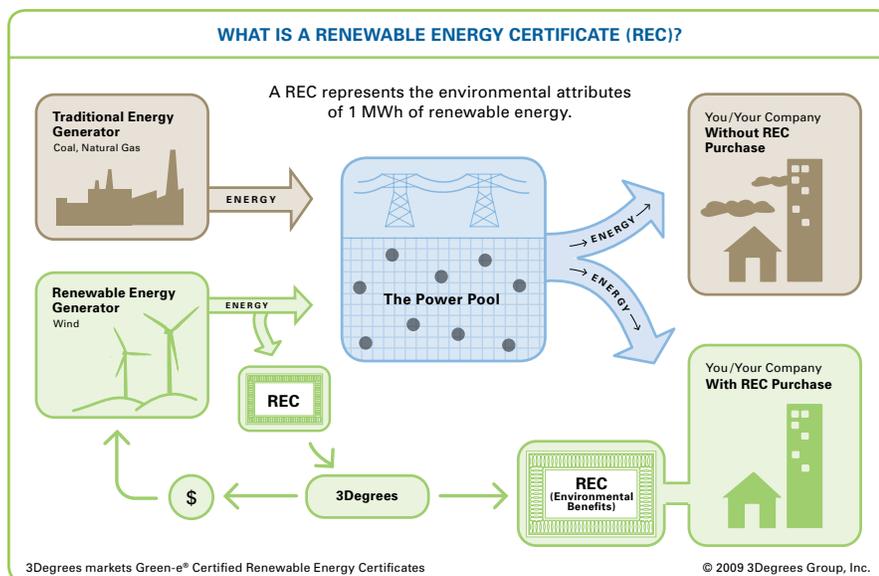
## What is a REC?

- RECs represent the legal rights to the environmental benefits associated with the generation of renewable energy.
- Each MWh of renewable electricity reduces the need for one MWh of conventional electricity, avoiding the greenhouse gas emissions and other negative environmental effects related to conventional electricity generation.
- Many state governments use RECs to track compliance with Renewable Portfolio Standards (RPS) and other government renewable energy requirements.
- RECs are needed to track renewable energy generation because once an electron from renewable generation is delivered to an interconnected power grid, that electron becomes indistinguishable from an electron from conventional sources, making it essentially impossible to guarantee delivery of only "green" electrons to an office building, factory or home by an electricity provider.
- RECs therefore provide organizations and individuals with a mechanism to keep the legal title to the environmental benefits of renewable energy distinct from the flow of electrons.
- This allows utilities, Load-Serving Entities (LSEs), businesses, government agencies and nonprofits to claim the value and benefits of the renewable energy associated with RECs as their own.
- RECs are independently audited by utility commissions and programs such as Green-e® Energy to ensure that only one customer claims credit for each REC, and the MWh of renewable electricity generation and delivery it represents.



## Who purchases RECs?

- Utilities and LSEs purchase RECs to help them meet RPS and other government renewable energy requirements.
- Utilities and LSEs also purchase RECs so they can offer their residential and commercial customers green power through voluntary programs.
- Businesses, government agencies and nonprofits purchase RECs to green the electricity used in their operations and comply with government renewable energy regulations.
- Green building professionals purchase RECs to mitigate the environmental impact of the electricity used in their buildings, helping them qualify for points under the LEED® Green Power Credit.



## What kind of RECs are there?

- Compliance RECs, which can be used by utilities to meet a particular state's renewable energy regulatory requirements.
- *National RECs*, which are sourced from all types of Green-e Energy Certified renewable energy projects throughout North America.
- *National Wind RECs*, and other technology specific RECs, which represent renewable energy produced using a specific type of renewable energy generation technology.
- *Project-Specific RECs*, which are sourced from a specific renewable energy project or a specific geographical location (such as the state of California).
- Often RECs can fall into multiple categories. For example, Green-e Energy Certified RECs can often be used to fulfill a utility's state RPS requirements.

RECs are independently audited by utility commissions and programs such as Green-e® Energy to ensure that only one customer claims credit for each REC.

## Renewable Energy Certificate (REC) project types:

- Wind
- Solar
- Geothermal
- Biogas
- Landfill Gas
- Low-impact Hydro

**3Degrees**™

[3degreesinc.com](http://3degreesinc.com)

T 1.866.476.9378  
SAN FRANCISCO ○ PORTLAND  
ST. LOUIS ○ SEATTLE