



# Renewable Energy Credits Basics

A renewable energy credit, or certificate, (RECs) represents all of the environmental and social attributes associated with producing one megawatt-hour of electricity generated by a renewable energy resource. This includes the benefits of no carbon dioxide emissions, no pollution and does not require the use of fossil fuels, among other benefits.

While RECs have been recently made available by utilities in Ohio, the passage of Ohio's electric energy law established rules for what qualifies as a renewable energy credit. The Public Utilities Commission of Ohio developed rules that allow electric utilities to meet their entire advanced and renewable energy portfolio standards through the purchase of RECs. For the RECs to count towards the standard, they need to have been created after the July 1, 2008 signing of the electric energy policy into law. Qualifying RECs will carry a life of five years from the date of initial purchase.

An electric utility would receive renewable energy credits from renewable energy generators in Ohio or from other states. The credits are sold separately from the electric power generated from wind, small hydroelectric, solar and biomass facilities. Once a utility purchases the REC, it is issued a credit to verify compliance with the renewable energy standard.

Renewable energy credits are available in many forms depending on the type of alternative energy source used, the date the generating facility began operations and the types of resources that are eligible as part of a renewable energy standard. The eligibility requirements for RECs are specific to each state in which the standard was created.



## Reducing your carbon footprint

Consumers do not have to wait for their local utility to take action towards the development and support of renewable energy. Consumers can independently purchase RECs from green power suppliers, even if the local utility does not offer a clean energy product. Consumers do not have to switch electric providers in order to purchase RECs.

Several business and residential consumers are already taking steps to offset the pollutants traditional electric generation emits on a daily basis. For example, Whole Foods Market, a retailer of natural and organic

foods, purchases RECs from wind power to offset 100 percent of the electricity it uses in all of its stores in the United States and Canada. The purchase avoided 700 million pounds of carbon dioxide pollution in 2006 – the equivalent of taking 60,000 cars off the roads or planting 90,000 acres of trees.

## Interested in creating your own RECs?

As the electric security plan cases filed by major electric utility companies were decided, the Ohio Consumers' Counsel (OCC), along with other consumer and environmental advocates, was able to help create programs that will require the utilities to purchase RECs from residentially created generation, mainly from solar energy and small wind energy. The systems that qualify for REC purchasing contracts have not yet been determined, however some utilities' filings are due to the PUCO

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by the end of June. These filings will provide further clarification as to what residential RECs will be worth in Ohio.

## Additional resources

There are several resources available that can help guide those interested in supporting the development of renewable energy. The following Web sites list the retail and wholesale suppliers that offer renewable energy credits:

**U.S. EPA Green Power Locator:**

[www.epa.gov/greenpower/](http://www.epa.gov/greenpower/)

**The Green Power Network:**

[www.eere.energy.gov/greenpower/markets/certificates.shtml](http://www.eere.energy.gov/greenpower/markets/certificates.shtml)

**Green-e REC Program:**

[www.green-e.org](http://www.green-e.org)



**Center for Resource Solutions:**

[www.resource-solutions.org/policy/bp.htm](http://www.resource-solutions.org/policy/bp.htm)

For more information on the benefits of renewable energy credits or ways you can take control of your energy usage, contact the OCC toll free at 1-877-PICKOCC (1-877-742-5622) or visit [www.pickocc.org](http://www.pickocc.org).

The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts. The state agency also educates consumers about electric, natural gas, telephone and water issues and resolves complaints from individuals. To receive utility information, brochures, schedule a presentation or file a utility complaint, residential consumers may call 1-877-PICKOCC (1-877-742-5622) toll free in Ohio or visit the OCC Web site at [www.pickocc.org](http://www.pickocc.org).

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**For additional information from the Office of the Ohio Consumers' Counsel:**

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