



Office of the Ohio Consumers' Counsel

Your Residential Utility Consumer Advocate

CONSUMERS' FACT SHEET

Office of the Ohio Consumers' Counsel

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The Basics of: RENEWABLE ENERGY CREDITS



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

Ohioans do not have to wait for their local utility to take action towards the development and support of renewable energy. They can independently purchase RECs from green power suppliers, even

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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.

For more information, please visit the OCC website at www.pickocc.org.



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if the local utility does not offer a clean energy product. Customers do not have to switch electric providers in order to purchase RECs.

Several business and residential customers 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.

Customers who generate electricity through renewable energy first need to obtain certification from the Public Utilities Commission of Ohio (PUCO) before they can sell RECs to an Ohio

utility. An application is only available online on the PUCO's website (<http://www.puco.ohio.gov/puco/index.cfm/puco-forms/renewable-energy-resource-generating-facility-application-for-certification/>).

Once certified, customers can sell their RECS to utilities or REC brokers. Currently, Duke Energy Ohio and FirstEnergy have residential REC purchase programs. American Electric Power and Dayton Power & Light have filed similar programs that are awaiting PUCO approval.

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/

The Green Power Network:
<http://apps3.eere.energy.gov/greenpower/markets/index.shtml>

Green-e REC Program:
www.green-e.org

Guide to Purchasing Green Power:
http://www.epa.gov/greenpower/documents/purchasing_guide_for_web.pdf

