



# Buyer's Guide for Renewable Energy Certificates

Brookfield Renewable U.S., one of the largest suppliers of Renewable Energy Certificates ("RECs") in the nation, provides this Buyer's Guide to help you navigate the complex REC procurement process.

## What Is A Renewable Energy Certificate?

RECs are market-based, tradable legal instruments that provide the owner with the right to substantiate an exclusive claim to the clean energy attributes, but not the power, associated with one megawatt-hour of electricity generated and delivered onto the grid from a qualified renewable facility, such as a wind, solar or hydropower facility. RECs are one of the tools for measuring and assigning ownership of the environmental attributes of renewable electric generation, which is currently not easily tracked on the power grid. Organizations can purchase unit-specific resource bundled energy and RECs or purchase the RECs separately.

## What Functions Do RECs Serve Organizations?

By buying RECs, organizations obtain the exclusive right to claim the purchase of the renewable energy attribute associated with each megawatt-hour of renewable energy produced. RECs also enable organizations to reduce or maintain lower levels of the carbon emissions associated with the electricity they consume, known as market-based Scope 2 emissions. More broadly, organizations that purchase RECs encourage the production of renewable electricity, supporting new and existing renewable facilities, which provide jobs, tax revenues and environmental benefits to the local community.

## How Can Organizations Benefit From The Purchase Of RECs?

With their considerable environmental benefits, RECs can fulfill an organization's renewable electricity and sustainability goals. An organization may also publicize the purchase of RECs to demonstrate its environmental commitment to employees, customers, investors, regulators and the public, improving its reputation and brand as well as distinguishing it from its peers who have yet to purchase RECs or bundled renewable energy. Organizations may negotiate bespoke agreements with the generation owner to obtain marketing rights for the purchase of the RECs. The Federal Trade Commission marketing guidelines require ownership and retirement of RECs to substantiate commercial renewable energy claims.

## How Do Organizations Maximize The Impact Of Their RECs?

Organizations can claim to meet 100% of their electricity consumption with renewable electricity by purchasing enough RECs to match each megawatt-hour of electricity purchased from their utility or competitive electricity supplier. For maximum social, economic and environmental benefits, organizations may buy electricity from local renewable facilities, helping to sustain generators that provide jobs and tax revenues for the local community while also reducing the carbon intensity of the regional grid.



ENERGY FROM  
HYDRO, SOLAR, WIND



RECs



RENEWABLE POWER

# Options For Procuring RECs



## Bundled Renewable Energy + RECs

*For more robust environmental impact claims*

An organization may procure RECs bundled with the corresponding electricity, known as bundled RECs, from an existing renewable facility located within the region. Revenues from both the purchase of the RECs and the associated electricity help sustain the facility, which provides jobs and tax revenue for the community and reduces carbon emissions for the regional power grid.

For maximum impact, organizations may enter into a PPA with a new or to-be-built renewable facility, which may provide the financing critical for advancing the development of the project. PPAs that underpin the development of additional renewable generating capacity, known as additionality, are the gold standard for sustainability because they are instrumental in driving the clean energy transition.

## Unbundled RECs

*Providing limited environmental impact claims*

An organization that purchases RECs from a renewable facility, but not the corresponding electricity, may make a claim to using renewable electricity and to lowering the emissions tied to its electricity consumption. This form of agreement is called an Unbundled REC because the REC is sold separately from the energy. However, without purchasing the actual electricity generated from a specific renewable facility, the purchase represents less of a commitment to sourcing renewable electricity.

### Local RECs

For maximum social, economic and environmental benefits, organizations may buy RECs from local renewable facilities, sustaining generators that provide jobs and tax revenues for the local community and lowering the grid's carbon intensity.

## About RECs

### PURPOSE

Convey use of renewable electricity; underlie renewable electricity use claims; expand electricity service choices; and support renewable electricity development

### SOURCE

Qualified renewable electricity generators

### ENVIRONMENTAL CLAIMS

Can claim to use renewable electricity from a low or zero-emissions source

### UNIT OF MEASURE

Megawatt-hours (MWh)

### GHG INVENTORIES, REPORTING

Can lower an organization's gross market-based scope 2 emissions from purchased electricity

## About Brookfield Renewable U.S.

Q1 2023

Operating |

8,903 MW \*

Development |

62,106 MW \*\*



Brookfield Renewable U.S., based in New York City, is a leading owner, operator and developer of renewable power, delivering innovative renewable power solutions that accelerate the world towards a sustainable, low-carbon future. Our diversified portfolio of hydropower, wind, solar and storage facilities extends across 34 states, totaling approximately 8,903 megawatts of generating capacity.

For queries on REC procurement, including information on how to purchase RECs from Brookfield Renewable U.S., please contact our experts at: [solutions@brookfieldrenewable.com](mailto:solutions@brookfieldrenewable.com).