



UNDERSTANDING RECS

YOUR INVESTMENT BENEFITS ALL OF US

Your solar electric system provides environmental and other non-energy benefits by offsetting power that might otherwise be generated by burning fossil fuels. These benefits are referred to as Environmental Attributes and quantified as Renewable Energy Certificates (RECs).

What are Renewable Energy Certificates?

RECs, also known as green tags, represent the benefits associated with generating electricity from renewable resources like solar. RECs are a separate product from the electricity that is generated and are commonly used by utilities or businesses to meet renewable energy goals. The owner of a REC can make green energy claims, such as their home or business is being powered by green energy. In some cases, RECs and their green energy claims can be sold or traded. If the REC is sold or traded, the new buyer owns the renewable and environmental aspects of the energy and can make the green energy claims.

How many RECs are created by a solar system?

For every megawatt hour of electricity generated by a renewable energy system, one REC is created.

You can estimate how many RECs your system will generate each year by dividing the expected annual electricity production in kilowatt hours by one thousand. Refer to your Energy Trust of Oregon paperwork or the system information provided by your contractor for an estimate of your yearly electricity production. For example, 6-kilowatt residential solar system will generate about seven RECs in one year.

Who owns the RECs produced by my solar electric system?

On December 14, 2018, the Energy Trust board policy for REC ownership was updated.

If your system was verified by Energy Trust after December 14, 2018—and you own your system, then you own all the RECs produced and can make green energy claims for as long as you own the system.

If your system was verified by Energy Trust before December 14, 2018—and you own your system, you own all the RECs produced during the first five years your system is operating, as well as those produced after the twentieth year of operation. Energy Trust owns the RECs produced in years six through 20.

If you signed a lease for your system, the company you lease from shares ownership of the RECs with Energy Trust. Refer to your lease agreement to understand how your solar lease provider manages RECs during their period of ownership. In some rare circumstances, you may have a different period of ownership.

RECs are explained in the Terms and Conditions of your Energy Trust incentive application agreement in the Renewable Energy Certificates section. If you have any questions contact Energy Trust at 1.866.368.7878.

Are RECs worth anything?

RECs only have a monetary value if they are registered in the official national registry. The value varies with the market but is typically around \$1.00 per REC. Registration fees can be in the hundreds of dollars, so it doesn't make sense for the average residential or small commercial project to register and sell their RECs. Utilities usually buy hundreds or thousands of RECs at a time to meet their goals. It's better for you to keep your RECs, which allows you to continue to make green claims as long as you own the system.

Can I sell my RECs?

The market for RECs is constantly changing and the availability of buyers is not guaranteed. Energy Trust does not buy RECs, and we know of no organization that is currently purchasing RECs from small system owners in Oregon. For systems verified after December 14, 2018, Energy Trust's policy is that REC ownership shall remain with the customer and system owner for the duration of the incentive agreement (20 years). After the full incentive agreement term, you may sell the RECs associated with your electricity generation if you wish and are able. For systems verified before December 14, 2018, you may not sell them during the time period when Energy Trust owns them. The Environmental Protection Agency's Green Power Partnership program provides guidance about making green claims at www.epa.gov/greenpower.

What does Energy Trust do with the RECs that it owns?

For systems verified before December 14, 2018, (under the old policy), Energy Trust took ownership of RECs produced in years six through 20. Because the incentive you received for your system came from the customers of Portland General Electric or Pacific Power, RECs claimed by Energy Trust reflect this investment and recognize all the customers that made the incentive payment possible. In return, Energy Trust holds the RECs it owns in trust for those customers, on behalf of all ratepayers. Energy Trust does not sell or trade RECs.

What happens to my RECs if I sell my home or business?

Your agreement with Energy Trust stipulates that you leave your system if you sell your home or business. The new owner will own the solar electric system, along with any RECs generated.



To learn more, visit www.energytrust.org or call **1.866.368.7878**.

RESOURCES

For more information about RECs, visit the Environmental Protection Agency's Green Power Partnership website at www.epa.gov/greenpower.

For more information on making environmental or green claims, visit the following Environmental Protection Agency websites:

Making Environmental Claims

www.epa.gov/greenpower/making-environmental-claims

Guide to Making Claims About Your Solar Power Use

www.epa.gov/greenpower/guide-making-claims-about-your-solar-power-use

Solar Power Use Claims

www.epa.gov/greenpower/solar-power-use-claims

Solar Power Use Claims Flow Chart

www.epa.gov/greenpower/solar-power-use-claims-flow-chart