REC Best Practices and Claims

For every megawatt-hour of clean, renewable electricity generation, a renewable energy certificate (REC) is created. A REC embodies all of the environmental attributes of the generation and can be tracked and traded separately from the underlying electricity.

How RECs Work

Electronic tracking systems are a useful tool for tracking ownership of RECs:

Example Claims for a Solar Panel Owner or Leaseholder

**Example 1**
- Keeps and retires RECs and is the only party to make claims about using the renewable energy.
- **Claim:** "We use renewable energy."

**Example 2**
- Does not own the RECs and makes public claims about using renewable energy.
- **Claim:** "We use solar power."
- **DOUBLE CLAIM**

**Example 3**
- Keeps the RECs but a third party (such as a utility) makes a public claim about delivering the renewable energy to other customers, such as through a renewable portfolio standard.
- **Utility Claim:** "All solar installations in our territory contribute to our state requirements to deliver renewable energy to consumers."
- **DOUBLE CLAIM**

**Example 4**
- Does not own the RECs but makes clear, accurate, and prominent statements about who owns the RECs.
- **Claim:** "We host a solar PV system, and sell the renewable energy to other parties."

REC Best Practices

1. Be clear in your contracts and power purchase agreements: who owns the RECs? Be specific and accurate about REC ownership and renewable energy claims.
2. If you are making a claim about using renewable energy, make sure you own and retire the RECs.
3. Use electronic REC tracking systems if possible.
4. Educate owners of solar panels about what types of claims they can make, whether they are keeping the RECs or selling them to another party.
5. If you don’t own the RECs, don’t make public claims about using renewable energy.
6. Get your sales and/or claims independently certified.

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