



Guidance on Renewable Energy Usage

(aka RECs, Green Power, Green Tags, etc.)

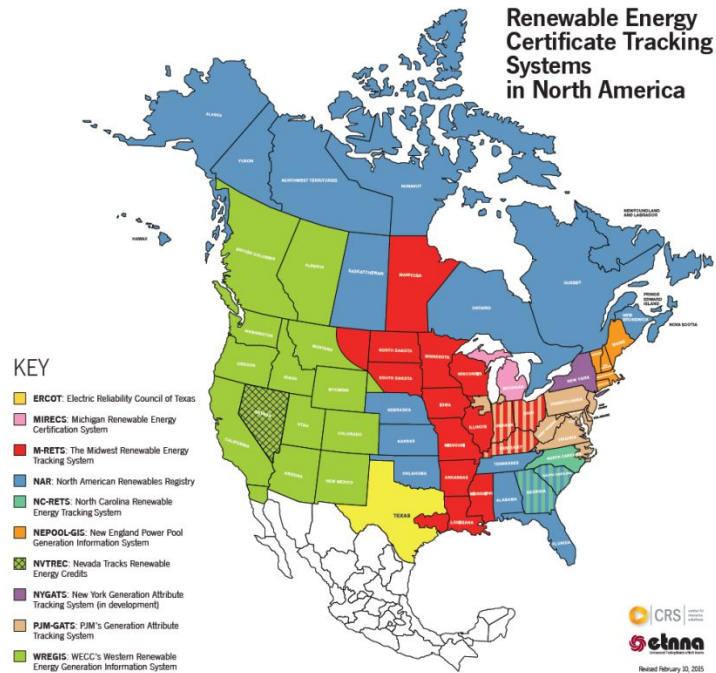
Guidance on renewable energy certificates

Renewable energy certificates (RECs) are a commodity that represent renewable energy generation from solar, wind, geothermal, biogas, biomass, or low-impact hydropower. (They can also commonly be referred to as green power, green tags, etc.) One REC is issued for each megawatt-hour (MWh) unit of renewable electricity produced and delivered to the grid. Thus, RECs can be purchased by health care facilities, allowing them to claim the environmental and social attributes of the renewable energy generated. The health care facility becomes the owner of the attribute of this renewable energy and can apply that generation to a 12-month period.

Once a facility purchases and owns the REC, it “claims” the REC, which retires it, preventing others from claiming it and double counting the renewable energy generated. Once a REC is retired, it can no longer be sold nor should it be accounted for in the following year’s energy use by the owner. RECs typically have an ID number, its related emissions (GHG), vintage (the timeframe of generation), service date (when the REC became operational), and location of its generation. This information can be found in the electronic EPA’s [regional tracking systems](#), which verify and monitor REC transactions. Outside of regional tracking systems, there are third-party certifiers and verifiers that also have tracking systems, which the EPA strongly encourages. Credibility relies on these verified platforms. In addition, the EPA Green Power Partnership provides a resource to help [locate Green Power suppliers](#).

Guidance on Renewable Energy Usage

(aka RECs, Green Power, Green Tags, etc.)



When producing onsite renewable energy, RECs must be retained in order to claim the renewable electricity. The EPA's Green Power Program outlines different scenarios:

If you own your solar system, you can claim the solar power as long as you have not 1) sold the RECs to another party, or 2) entered into any contractual agreements that sell or transfer the RECs or the environmental attributes to another party. If the system is registered in a REC tracking system and formally issued RECs, you must retain and retire these RECs in the tracking system. If your solar system was installed via a power purchase agreement (PPA) or solar lease, review the contract and verify that your organization owns the environmental attributes or RECs if it wishes to make claims about using the associated solar power. RECs can be delivered and retired on your behalf contractually in the lease or purchase agreement. If the solar power system is registered in a REC tracking system, RECs will be issued to the project owner's account and the project owner must either transfer the RECs to your account in the tracking system, or if you do not have an account, retire the RECs in the tracking system on your behalf.

Guidance on Renewable Energy Usage

(aka RECs, Green Power, Green Tags, etc.)

The following table provides a sampling of appropriate claims for different scenarios of REC ownership. For a more detailed explanation of claims, please visit the Green Power Partnership's [Solar Claims webpage](#):

| Scenario | Appropriate Marketing Claims |
|---|--|
| Organization has on-site solar system and owns associated project RECs. | <ul style="list-style-type: none"> • We are using solar power. • Our solar panels are reducing our organization's carbon footprint. • We are powered by solar energy. • Our electricity comes from solar panels. |
| Organization has on-site solar system but does not own associated project RECs. | <ul style="list-style-type: none"> • We generate solar energy but sell it to another party. • Our solar panels are helping to reduce our energy costs and generate revenue through the sale of RECs. • We are not using solar power, but our solar system is helping to green the grid. |

For federal health care facilities, they may refer to the E.O 13693 and [Federal Renewable Energy Certificate Guide](#) which details procurement, special cases, and additional resources. For example:

Purchasing bundled and unbundled REC products accomplish the same goal but follow different paths. In a bundled REC product transaction, the electric utility or an authorized electricity supplier provides the buyer a REC from a renewable energy project that is bundled or sold with the utility's underlying electricity service to the customer, who only receives one bill from the supplier. In this transaction, the power provider generally retires the RECs associated with the renewable electricity purchased by the customer. The electricity and RECs are bundled as a single green electricity product. RECs need to be sourced from the same electricity market as where the customer operationally uses the electricity.

Power Purchase Agreement (PPA): Generally under a PPA, an agency buys power from a new renewable energy generator at a set price for multiple years. This power procurement often includes the associated RECs in order for the agency to make renewable electricity use claims. PPAs can be an effective way for federal agencies to procure renewable energy from the development of renewable energy projects, particularly on federal or Indian land, since a third-party owns the generator and pays upfront for the cost of system installation, operation, and maintenance based on the federal commitment to purchase power. In other cases, PPAs are signed with renewable generators located on private land. Renewable energy generators that are located offsite and that feed electricity to the grid generally register their RECs with a tracking system to ensure RECs are appropriately issued and tracked and that the federal agency is the only party making a claim on the environmental attributes.

Additional resources



Guidance on Renewable Energy Usage

(aka RECs, Green Power, Green Tags, etc.)

Heeter, Jenny. [Renewable Energy Certification Tracking Systems](#): Cost and Verification Issues, National Renewable Energy Laboratory. October 11, 2013.

Critchfield, James. [Understanding Renewable Energy Certificates \(RECs\) and the Green Power Procurement Process](#), EPA. April 15, 2015.

EPA, [Tracking Energy Tracking Systems](#), 2018.

EPA Green Power Partnership, [Guide to Making Claims About Your Solar Power Use](#). August 2017.

Office of Federal Sustainability Council Environmental Quality, [Federal Renewable Energy Certificate Guide](#). June 16, 2016.

Questions

For questions about how to enter data related to renewable energy and RECs, please contact Iqbal Mian, MSSM, Member Engagement Manager at imian@practicegreenhealth.org or 866.329.5170.