

PE4 Action: Renewable Energy Certificates

2 Points

5 Points

12 Points

A. Why is this action important?

A renewable energy certificate is an environmental attribute that represents the added value, environmental benefits and cost of renewable energy above conventional methods of producing electricity, namely burning coal, oil and natural gas. Renewable energy certificates, or RECs, help renewable energy facilities grow by making them more financially viable, thereby incentivizing development and retention of renewable energy sources. Renewable energy facilities generate RECs when they produce electricity. Purchasing these certificates is the widely accepted way to reduce the environmental footprint of electricity consumption and help fund renewable energy development. Purchasing RECs allows local governments to offset the environmental impacts of their energy consumption by supporting the production of more renewable energy in New York State.

B. How to implement this action

Local governments should determine the amount of renewable energy they seek to purchase and negotiate the purchase of the RECs in conjunction with their annual or renewed electricity purchase agreement. Data on the amount of electricity consumed by the local government per year may be found in the GHG inventory produced under [PE2 Action: Government Operations GHG Inventory](#). Applicants for this Climate Smart Communities (CSC) action must provide information on the local government's average annual electricity use because points are tiered based on the percentage of the local governments' average annual electricity use that is covered by the RECs.

The cost of renewable energy can fluctuate, so local governments should monitor the market and determine the quantity of renewable energy they can purchase. Some local governments may aim to establish an annual renewable energy target, such as 25 percent, and then find the most cost-effective approach to meeting that target.

The following factors should be considered when purchasing RECs:

- Duration of contract
- Quantity of renewables
- Renewable energy source
- Certification and vintage of the RECs

To earn points for this CSC action, the RECs must have been purchased in the last three years and be retired on behalf of the local government in a [New York State Generation Attribute Tracking System](#) (NYGATS) account (with reports on such retirements to the local government) in a manner that is compliant with the environmental attributes and delivery rules of the New York Public Service Commission Environmental Disclosure Program. The electrical energy associated with the renewable energy certificates must be consumed at retail in New York State. RECs generated by state-owned resources (including those owned by the New York Power Authority) do not qualify.

Local governments that have completed the NYSERDA Clean Energy Communities 100% Renewable Electricity high-impact action are eligible for the full 12 points under this action. For guidance on implementation, see the 100% Renewable Electricity Toolkit, which is available at www.nyserda.ny.gov/cec. Municipalities interested in this action can receive free technical assistance from the Clean Energy Communities Coordinators; contact cec@nyserda.ny.gov for more information.

C. Timeframe, project costs, and resource needs

The time frame to purchase RECs may depend on the local procurement process. Local governments may elect to sign a contract to purchase RECs for several years at a certain price to lock in a price and minimize the effort in the future to renegotiate the contract. The cost for purchasing RECs depends on the amount and length of the contract, along with the current market price for RECs.

D. Which local governments implement this action? Which departments within the local government are most likely to have responsibility for this action?

This action is applicable to any local government. The department with the responsibility for purchasing energy for government owned facilities is most likely to be responsible for managing the purchase of RECs. However, a representative from the chief elected official's office, the sustainability office, and/or the purchasing office may also be involved in the analysis and planning for the REC purchase agreement.

E. How to obtain points for this action

The points for this CSC action are tiered based on the percentage of the local governments' average annual electricity use that is covered by the RECs. The RECs must have been purchased in the last three years and be retired on behalf of the local government in a NYGATS account.

	<i>POSSIBLE POINTS</i>
Purchase RECs for 25% - 49% or more of total electricity use	2
Purchase RECs for 50% - 95% or more of total electricity use	5
Purchase RECs for 96% - 100% or more of total electricity use*	12

***NYSERDA Clean Energy Communities:** Local governments that have completed the Clean Energy Communities 100% Renewable Electricity high-impact action are eligible for the full 12 points under this action.

F. What to submit

Submit a copy of an executed agreement that provides for the retirement of the RECs on behalf of the local government in a NYGATS account in a manner that is compliant with the environmental attributes and delivery rules of the New York Public Service Commission Environmental Disclosure Program. The electrical energy associated with the renewable energy certificates must be consumed at retail in New York State.

Show that the RECs were purchased in the last three years. Provide data on the total annual average electricity use by government operations that was used as the basis for calculating the percentage of the electricity use that is covered by the RECs.

For the 12-point tier, as an alternative form of documentation, applicants may submit a copy of the approval from NYSERDA that indicates completion of the Clean Energy Communities 100% Renewable Electricity high-impact action.

All CSC action documentation is available for public viewing after an action is approved. Action submittals should not include any information or documents that are not intended to be viewed by the public.

G. Links to additional resources or examples

- [New York Generation Attribute Tracking System \(NYGATS\)](#)
- [New York State Power to Choose](#)
- [Department of Public Service Environmental Disclosure Program](#)
- NYSERDA Clean Energy Communities 100% Renewable Electricity Toolkit: available at www.nyserda.ny.gov/cec
- [PowerSetter](#)

H. Recertification Requirements

The recertification requirements are the same as the initial certification requirements.