Renewable Energy Certificates (RECs) sound green but...

**Big Oil uses RECs to Wreck the Climate**

All over Indian Country, Native communities are raising turbines to harvest wind and generate cleaner energy. The Great Plains, which has been dubbed the “Saudi Arabia of Wind Energy,” is particularly promising and could eventually provide enough energy for the entire country. Unfortunately, extractive industries and other pushers of false solutions to climate change are piggy backing on the boom in wind and solar energy to generate *permits to pollute* with something called Renewable Energy Certificates (RECs). Climate criminals like Shell Oil, Chevron and mining giant Rio Tinto are using RECs to *greenwash* their pollution and destruction.

**What the heck are RECs?**

According to the US Environmental Protection Agency: “A renewable energy certificate, or REC (pronounced: rěk), is a *market-based instrument* that represents the *property rights* to the environmental, social and other non-power attributes of renewable electricity generation. RECs are issued when *one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource*. RECs are also called *Green Tags* or *Emissions-Free Energy Certificates*. Solar Renewable Energy Certificates (SRECs) are a type of RECs that is generated by solar panels. RECs can also be from dams or biomass.

**Where are RECs bought and sold?**

RECs can be bought and sold in the 29 U.S. states and D.C. that have adopted Renewable Portfolio Standards (RPS), which require utilities and companies to obtain a certain percentage of their electricity from renewable sources on a mandatory market. RECs are also traded on voluntary markets in states with a Renewable Energy Goal.

**What if my community sells RECs?**

If your community has a wind or solar project, you can sell the associated Renewable Energy Certificates to a polluter so it can supposedly “use clean energy” and “offset their emissions” instead of cutting emissions at source. Thus, the polluter becomes so-called “low carbon” or “carbon neutral.” Renewable Energy Certificates sound like a gold star on your community’s forehead for being green but really RECs are permits sold to polluters so they can continue to pollute. If you generate wind or solar power instead of burning fossil fuels, but then turn around and sell RECs to a polluter, you are canceling out the good you did by generating and using wind power because you are giving a polluter a *certificate to keep polluting*. You are aiding and abetting a polluter. Polluters need RECs because they are cheaper than cutting emissions at source and great greenwash. Like carbon credits, RECs are actually a formal permission to *increase global warming* and wreck the climate.

Even if you sell RECs to a good cause like a foundation that gives free ice cream to kids, you are still selling offsets for that foundation to pollute. Furthermore, that nice foundation could turn around and sell those RECs to an extractive industry or a pipeline company since RECs can be *transferred at any time* to any buyer. Ultimately, you have no say in who uses RECs generated on your land.

It gets worse. According to the EPA, if your community sells RECs to another party “you *forfeit the ability to make any claims about “using” renewable energy*...” In other words, if you are selling RECs to a polluter and, hence, the right to claim they use clean energy and are good for the environment, you cannot claim to be using clean energy or be good for the environment anymore. In *selling the "cleanness" and "green-ness" of your renewable power to a dirty industry, your community becomes dirty, and the dirty industry becomes clean and green.*
HEADS UP! Your wind turbine or solar panel may be used to sell RECs and you don’t even know it! If you have installed your solar panels or wind turbines with a wind or solar lease or power purchase agreement (PPA), the company that owns the system also owns the RECs or SRECs. So ask the company who they are selling RECs from renewable power generated on your land to. You may be in for a nasty surprise. Whoever the REC owner is has “exclusive rights to make claims about ‘using’ or ‘being powered with’ the renewable electricity” associated with that REC. The twisted irony of RECs is such that your community-controlled solar or wind project might be generating RECs that are being sold to an extractive industry or pipeline company that you are opposing.

What polluters use RECs for greenwash?
Oil companies like Shell Oil, Chevron and mining giant Rio Tinto buy and/or sell RECs to greenwash and to keep polluting. All these companies have harmed Mother Earth, Father Sky and Indigenous Peoples.

Shell Oil boasts it sells RECs as “environmental solutions.” “Shell Energy Environmental Solutions: Shell Energy can provide RECs from almost every state in the United States and from many Canadian provinces, and in some cases can match the geographic location of the renewable facility with that of the customer.” However, no amount of RECs greenwash can cover Shell’s bloody past. According to Amnesty International, “Shell repeatedly encouraged the Nigerian military to deal with community protests [including of the Ogoni People], even when it knew the horrors this would lead to – unlawful killings, rape, torture, the burning of villages.”

“Chevron has also purchased renewable energy credits (RECs) administered by the Electric Reliability Council of Texas to meet the state’s renewable energy program requirements.” But Chevron’s RECs cannot hide that “after an eighteen-year, multinational court battle, Chevron was found guilty in an Ecuadorian court and fined $8 billion for pollution that amounted to an ecological disaster and seriously harmed the human rights of the indigenous inhabitants” of the Amazon. Chevron has since appealed the ruling and justice has not prevailed.

Mining giant Rio Tinto also buys RECs: “Rio Tinto is to purchase renewable energy certificates for its Kennecott Utah Copper facility...” The mining giant said the move would cut the operation’s annual carbon footprint by more than 1 million tons of carbon dioxide. The Kennecott site’s electricity needs will be met by 1.5 million megawatt hours of RECs. These certificates are to be supplied by Rocky Mountain Power, which will source them from a portfolio that includes wind power generated in Wyoming. RECs for Kennecott are Green-e Energy certified. Rio Tinto has an infamous track record of smashing unions; “virtual slave labor under brutal conditions” in Namibia’s Rössing uranium mine; blowing up a 46,000-year-old sacred site; and forced displacement of Indigenous Peoples in Madagascar.

RECs are another name for carbon trading. In summary:
• RECs are part of the Green Economy and its Green New Deal, which privatize and destroy Nature and use false solutions to climate change.
• RECs, “emission-free energy,” “low-carbon,” “net zero emissions,” “decarbonization,” “carbon-zero” are deceitful buzz words for false solutions to climate change based on carbon trading.
• RECs are a carbon market-based mechanism for generating permits to pollute.
• RECs allow greenhouse gas pollution to increase.
• RECs corrupt the Sacred and betray our commitment to the next seven generations.
• RECs pervert, privatize, commodify, buy and sell the gifts of the wind, the air and the sun.
• RECs defeat the whole purpose of renewable energy by offsetting the extraction and burning of fossil fuels.
• RECs increase global warming, severe weather and disasters like hurricanes, floods, droughts and forest fires.
• RECs are greenwash for polluters like Shell Oil, Chevron and Rio Tinto.
• RECs wreck the climate.
**Greenwash to the Polluters, Not Power to the People:**

**RECs are Offsets**

Don’t be fooled by deniers like the United States EPA, RECs are offsets. RECs are being calculated in terms of tons of carbon dioxide pollution and sold as carbon offsets. According to offsets expert Mark Texler, “REC brokers are eager to sell RECs as carbon offsets at $5-10/ton.” RECs are sold on “the voluntary GHG offset market, where consumers seeking to go ‘carbon neutral’ purchase RECs that have been re-branded as carbon offsets.”

For example, the town of Cupertino’s Climate Action Plan allows polluters in Silicon Valley to buy RECs and Green Tags to “offset emissions from office electricity and natural gas use.” Much obliged, tech giants like Google take advantage of RECs to claim they are using 100% renewable energy when they are not. Similarly, when the Superbowl says its 100% wind powered and you look around for the wind farm behind the stadium, all you’ll find are fossil fuels and RECs. Touchdown for the climate scammers!

**RECs are the CHEAPEST Offsets**

Thousands of companies, universities and supposedly environmental organizations like Greenpeace buy RECs because they know a good deal when they see it. RECs offsets are sold “at a cheaper price than purchasing traditional carbon offsets.” One of the best bargains of all false solutions to climate change, RECs make it easy to pretend to use clean energy and be carbon neutral while continuing to use fossil fuels. In 2018, fossil fuels accounted for “about 80% of the nation’s energy demand” and renewables were only about 4%. So chances are if a corporation or even a rock band suddenly claims it is using 100% renewable energy, it just bought a bunch of cheap RECs.

**RECs are hyped as a source of funding for renewables but they are not**

In 2020, the “RECs market... is currently in oversupply in most U.S. states, which has driven the cost of a REC to as low as $0.80/MWh. An average U.S. household consumes 11 MWh a year. If the household bought 11 RECs at the higher-end rate of $5 per REC, they can claim that they are using 100% renewable energy for merely $55 a year. This makes RECs so cheap that they do not add any meaningful revenue source to renewable energy producers — and they make an insignificant contribution to additional investments in green energy. Buying RECs also does not mean that companies are reducing their use of fossil fuels or avoiding carbon emissions.” As for consumers, you may think you are buying solar energy from your utility partner like Green Mountain Energy, but you may be just buying RECs.

According to Clean Energy Trainwreck, “A secondary problem with RECs is that there is a superabundance of them, and probably always will be. This means that their price will likely always stay low, negating the “market forces” argument that says demand will cause REC price increases, driving clean energy development. That hasn’t happened over the last decade, even with exploding purchases of RECs.”

Instead of providing the much promised financial shot in the arm for renewable energy and community controlled solar and wind power projects, RECs are providing polluters with the cheapest way to get out of cutting their emissions at source and continue with business-as-usual. As if that weren’t bad enough, RECs give Big Oil bragging rights and swag about how squeaky clean their cancer-causing shenanigans are. Instead of contributing to the desperately needed transformation of our energy matrix and saving the climate, RECs are helping the destructive fossil fuel paradigm to dig in its heels.
**The EPA is in denial but RECs are offsets**

The US government EPA tries to make a misleading distinction between RECs and carbon offsets,\textsuperscript{\text{xiii}} which can confuse communities. The EPA says offsets “reduce or ‘offset’ an organization’s...emissions” and RECs “can lower an organization’s...emissions.”\textsuperscript{\text{xiii}} Reducing and lowering emissions are the same. RECs are market commodities that can be “characterized in CO\textsubscript{2} terms”\textsuperscript{\text{iv}} and supposedly used to reduce emissions. Ergo, RECs are offsets.\textsuperscript{\text{v}} Offsets of any kind by any name not only do NOT reduce emissions, they are worse than nothing.\textsuperscript{\text{vi}} The EPA and polluters also pretend that you can separate electricity from the “environmental benefit”\textsuperscript{\text{vii}} of how that electricity was generated, but that is utter nonsense. You cannot eat junkfood and do drugs and buy the right to claim you are healthy and not poisoning your body from your neighbor who eats from her garden and is clean. Similarly, Shell cannot mine and refine the Canadian Tar Sands and buy the right to claim it is green and not destroying the climate with RECs from your Native wind turbine. **RECs are a lie.**

Both RECs and offsets are greenwash sold to polluters extracting and burning fossil fuels. Both RECs and offsets let polluters off the hook to keep polluting. Both RECs and offsets are fictitious commodities that privatize Nature and are traded on markets. Both RECs and offsets\textsuperscript{\text{xviii}} are considered pollution “currency.”\textsuperscript{\text{xiii}} Both RECs and offsets falsely claim to reduce greenhouse emissions. Both RECs and offsets are used by climate criminals like Shell and Chevron. Both RECs and offsets use Indigenous Peoples’ territories including land, air, water, ecosystems, sun and wind to pretend they are green, low-carbon or even net-zero emissions.\textsuperscript{1} Both RECs and offsets do not reduce global warming nor emissions. Both RECs and offsets are packaged to confuse the peoples of the world into thinking they are good for the environment and our economies when they are not. **RECS ARE OFFSETS** as this table shows:

<table>
<thead>
<tr>
<th>SAMENESS</th>
<th>OFFSETS</th>
<th>RECs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bought and sold on markets as offsets</td>
<td>yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Market mechanism</td>
<td>yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Greenwash</td>
<td>yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Claim to reduce emissions but do not</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Do NOT reduce emissions</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Used by climate criminals like Chevron</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Use Indigenous Peoples’ territories for false solutions to climate change</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Hyped as Native development but are not</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Spiritually Problematic</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Fictitious commodities</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Claim to be low-carbon, green and clean but are not</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Allow polluters to keep polluting</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Allow polluters to burn fossil fuels</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Increase global warming</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>False solutions to climate change</td>
<td>yes</td>
<td>yes</td>
</tr>
</tbody>
</table>

In addition, it is probable that the RECs markets and carbon markets will merge in the future. RECs are not a blow for clean energy, they are the prostitution of clean energy. RECs are green claims for polluters, not a green reality.

**False solution to climate change**

Naïve RECs buyers are being “duped in a way that frankly threatens civilization: they are under the illusion that they are solving climate change when they are not...One’s misdiagnosis of the solution to a problem can be deadly. Cheap RECs actually make the climate problem worse,”\textsuperscript{\text{ii}} because they distract us from real solutions. The problem with RECs is that... they don’t drive change and don’t represent carbon reductions in the atmosphere.\textsuperscript{\text{iii}} RECs have been “a near-magical tool allowing corporations to claim massive reductions on greenhouse gas emissions for very little cost. For years, thousands of companies have purchased...RECS to say they use green power and to shrink their carbon footprints. Now, as skepticism mounts about whether RECs achieve their acclaimed environmental benefits, the market for these credits is slowing and a number of companies from Whole Foods Market to McDonald’s are quietly scaling back their involvement.”\textsuperscript{\text{iviii}} Don’t be part of the climate trainwreck! Say NO to RECs! Say YES to clean energy – wind and solar power! **Be a Sky Protector!**


Other Resources:

https://en.wikipedia.org/wiki/Renewable_Energy_Certificate_(United_States)
https://www.altenergymag.com/article/2005/02/what-is-a-green-tag/157/


Ibid.
Ibid.
RE 100 https://www.there100.org/companies
How to claim a company is renewable https://www.there100.org/going-100
3Degrees, Inc. https://3degreesinc.com/services/renewable-energy-certificates/ Clients include Arizona State University and Northwestern University.
Rock for Renewables https://rockforrenewables.org/


“......one purchaser may buy a kilowatt-hour of clean electricity but a separate purchaser may buy “rights” to the environmental benefit of that same unit of electricity.”


“Some have even speculated that carbon credits could eventually replace the US dollar as the new global currency. Even the World Bank does not think the idea is that far-fetched: “You can imagine a future world where carbon is really the currency of the 21st century.”


“These RECs can be bought and sold; they are a kind of currency.”


