What is a REC?

When a clean energy generator such as a wind farm produces electricity, it puts that electricity on the electric grid. The electric grid collects the electricity from all the generators – the coal plants, the wind farms, the nuclear reactors, etc. The electricity is then sent over the wires to homes and businesses. It is impossible to tell exactly where the electrons that feed your power come from. Renewable Energy Credits (RECs), created by the US Environmental Protection Agency (EPA), are the tool that is used to track the clean energy being put on the grid. One REC equals a specific amount of energy, 1000 kWh.

RECs represent the environmental benefits of clean energy sources.

When you purchase RECs, you are taking ownership of the electrons that the clean energy generator puts on the grid. These RECs, also known as "green tags," can be "bundled" back together with a full power contract (one contract price included on your electric bill) or they can be purchased separately from the electric bill to balance the usage of your power purchase. Either way, the impact to global warming is the same.

When a wind farm is working, we are getting measurable environmental and health benefits in terms of the air pollutants and global warming gases that are not going into our air. Selling green tags is a key way that clean energy sources finance their own development. A wind farm, for example, earns revenue by selling the electricity it produces and by selling the green tags. When you buy green tags, you are helping to directly reduce global warming and air pollution. The more green tags that homes and businesses purchase, the more clean energy sources that come on line, and the less polluting sources our society uses. It’s as simple as that.

Carbon offsets and RECs.

The environmental benefits of RECs can also be used to offset the negative "footprint" of other polluting activities. Each REC produced offsets carbon and other greenhouse gases. One wind power REC offsets approximately 1400 lbs. of Carbon Dioxide. As a result, it is one of the preferred "carbon offset" mechanisms for businesses and governmental organizations due to the transparency in their production and measurement. These RECs can help offset the footprint for automobiles, airplanes or other hydocarbon burning devices.

Source: http://www.cleancurrents.com/