



Environmental Innovation Solutions (EIS)



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A Renewable Electricity Standard (RES) is a regulation that requires the increased production of energy from renewable energy sources, such as wind, solar, biomass, and geothermal. Over 30 of the 50 US states have mandated that a set percentage of electricity generated within their borders be from renewable sources. Most states with RES programs have associated renewable energy certificate (REC) trading programs. For each unit of "green" power that an eligible producer generates, a REC certificate is issued.

A market exists for RECs because energy supply companies are required to redeem certificates equal to their obligation under the RES program. "Green" electricity producers will be net sellers of RECs while those not meeting their RES standard will be buyers. In most participating states, residential solar and wind generation qualifies for the issuance of RECs. This has greatly increased the recordkeeping and securities processing needs of the states - which can be met by BNY Mellon. It has also been a boon to the growth of small scale solar and wind projects.

The recently introduced Kerry-Lieberman bill is notable for its lack of a national RES. However, the RES portion of a separate bill - The American Clean Energy Leadership Act (S. 1462) - is expected to be incorporated into the Kerry-Lieberman legislation. This would most likely result in national growth in small scale renewable energy projects and the related REC markets.

For information about the RES in a particular state, visit the following US Department of Energy site:
http://apps1.eere.energy.gov/states/maps/renewable_portfolio_states.cfm

Did you know?...

The EPA has issued a greenhouse gas 'tailoring rule' to avoid impacting millions of 'small emitters'. For more information [click here](#).

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Resources

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