

# WHAT IS A RENEWABLE ENERGY CREDIT (REC)

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*Briefing for the  
Maine Legislature*

**Matthew Rolnick**  
Analyst

January 27, 2022



# PRESENTATION ROADMAP

**Introduction**

**Renewable Energy  
Credits (RECs)**

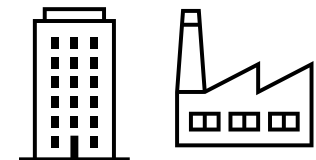
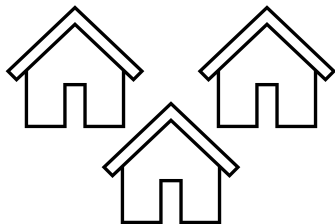
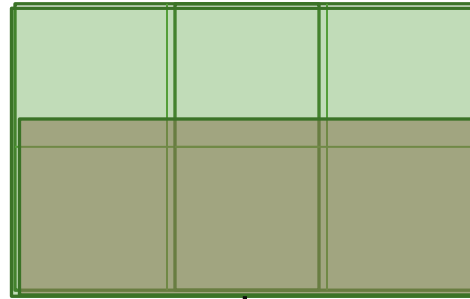
**Renewable Energy  
Goals**

**Renewable Portfolio  
Standard (RPS)**

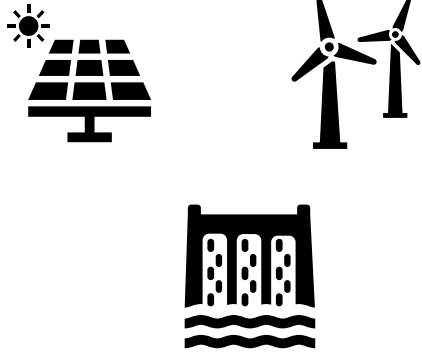
# Renewables



# Non-Renewables



# Renewables



MWH of Electricity

Renewable Energy Credit (REC)

# Non-Renewables



MWH of Electricity

Attribute: Fossil Fuel

# WHAT IS A REC?

## Renewable Energy Credit

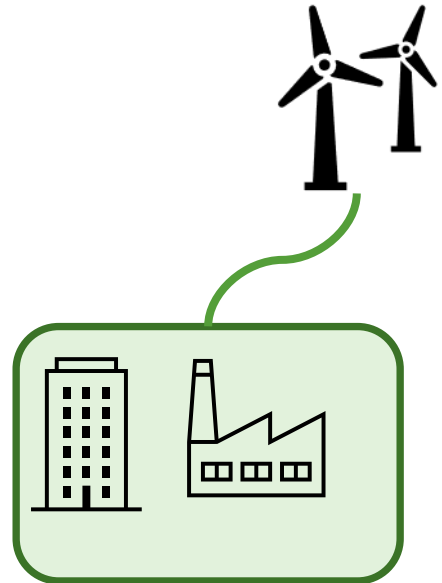
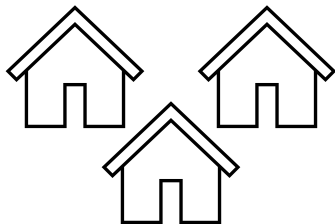
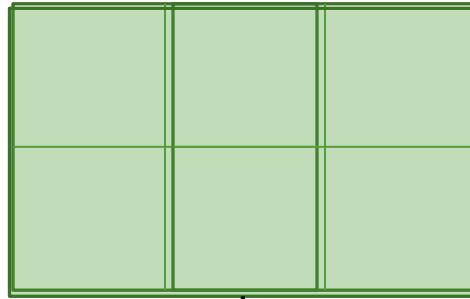
- Represents a specific amount of renewable electricity produced and provided to the grid.
- Is uniquely numbered and tracked
- Currency of the renewable energy market

# Renewables



2050

# Non-Renewables

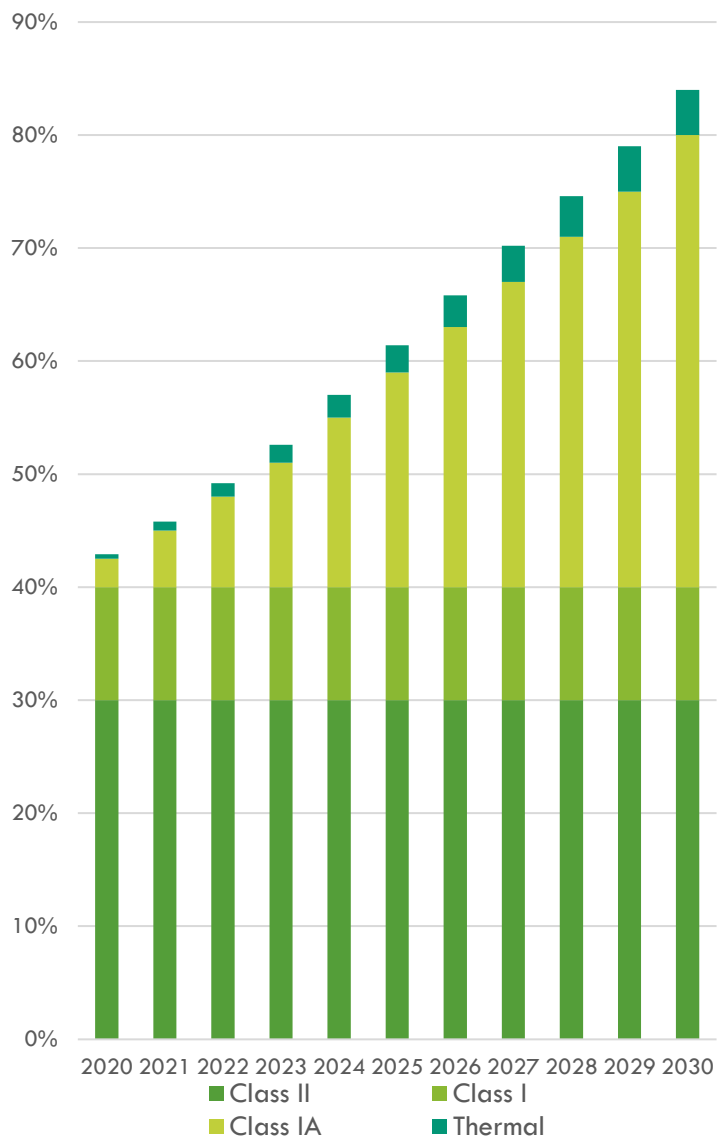


# MAINE RENEWABLE PORTFOLIO STANDARD (RPS)

## WHAT IT DOES

- Defines the state goals of
  - 80% renewables by 2030
  - 100% renewables by 2050
- Defines RECs
  - “a tradable instrument that represents an amount of electricity generated from eligible resources or renewable capacity resources.”
- Creates four classes of renewable attributes to be tracked by RECs
- Creates obligation of RPS through Competitive Energy and Standard Offer Providers
- 35-A MRSA §3210

Maine RPS Increasing Requirement



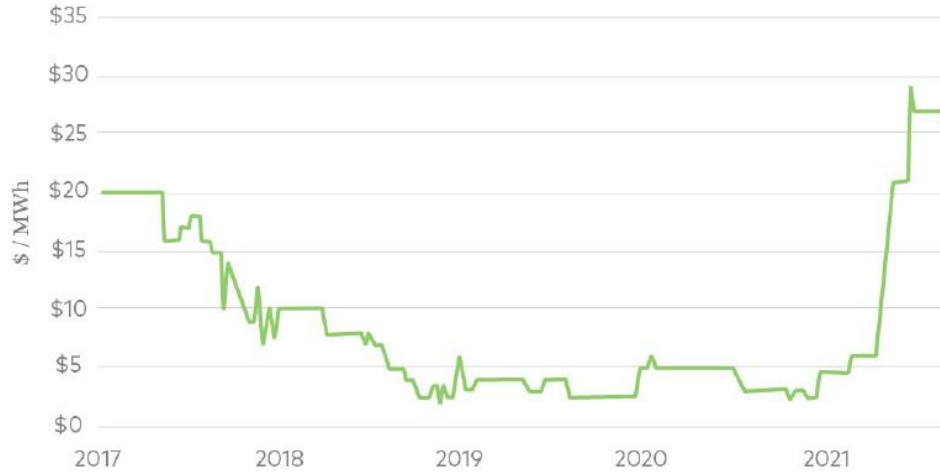
REC Type	Example	2021 Goal %	2030 Goal %
<b>Facilities Require Maine PUC Certification</b>			
Class I/IA	New/Refurbished renewable plant post 2005	15%	50%
Thermal	Facility begins operation after 2019	0.4%	4%
<b>Facilities Self-Certify Eligibility</b>			
Class II	Generally, consists of non-refurbished, pre-2005 biomass, hydro and efficient resources	30%	30%



# REC REGISTRATION

State	Fuel Type	CT Class I	MA RPS Class I Renewable Gen	MA CES	ME Class I	ME Class IA	ME Class II	RI New Renewable Resource	NH Class I	VT Tier I
RHODE ISLAND	Wind	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

## ME Class I Pricing



## ME Class II Pricing



Source:  
3Degrees, Maine Green Power 2022 Marketing Plan

# MAINE RENEWABLE PORTFOLIO STANDARD (RPS)

## CONCLUDING THOUGHTS

- RECs are a form of currency
  - For tracking various state mandates
  - For businesses and individuals
  - A REC can only be retired once
- Facilities must be qualified to provide RECs
  - Maine Guidelines
  - Other states have guidelines
  - Many registered Maine REC resources are out of state generators
  - Many Maine-based generators register out of state
  - REC Price differences in competing markets can affect supply in Maine
- CEPs and SO Providers file compliance reports with RPS
- 35-A MRSA §3210

# ANNUAL REPORT ON LONG-TERM CONTRACTS

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# STATUTORY REPORTING REQUIREMENT

## 35-A M.R.S. § 3210-C(3)

**35-A M.R.S. § 3210-C(3)** requires an annual report that includes the procurement of transmission capacity, capacity resources, energy and renewable energy credits in the preceding 12 months under:

- This subsection of law;
- The Community-based Renewable Energy Act; and
- The Deep-water offshore wind energy pilot projects under Public Law 2009, chapter 615, Part A, section 6, as amended by Public Law 2013, chapter 369, Part H, sections 1 and 2 and chapter 378, sections 4 to 6.

The Commission did not conduct any procurements in 2021 under 3210-C(3), the Community-based Renewable Energy Act\* and the Deep-water offshore wind energy pilot projects program.\*

The Commission has not determined whether it will conduct a Section 3210-C solicitation during 2022.

The above-market costs, i.e., contract costs net of wholesale market revenue, for these long-term contracts for the 12-month period ending December 2021 totals approximately \$16.3 million.

\*It is important to note that the Commission's authority to award contracts governed by the Community-based Renewable Act expired on December 31, 2015, and the Commission no longer has the authority to award additional contracts governed by the Deep-water Offshore Wind Energy Pilot Program; therefore, no future solicitations are planned under these programs.

THANK YOU!

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