

Factsheet

**Renewable energy
procurement and
guarantees of origin**



Ensuring transparency and driving commercial benefits

The transition away from carbon-intensive energy to more renewable resources is well underway. There are numerous influences on the increased production of cost-efficient, renewable technologies, including legislation, market mechanisms, and consumer demands. For businesses, buying renewable energy is an increasingly important part of a robust and sustainable business and energy strategy.

Why this is important for your business

With the growth in renewable energy generation, there is also a growing demand from businesses for clarity around the supply of renewable energy.

There are a variety of reasons for this:



1. Accounting.

The Greenhouse Gas Protocol revised the Scope 2 emissions accounting guidance to establish exactly what a renewable energy purchase looks like when it is used for zero-carbon claims to avoid any double counting of renewable energy.



2. Reporting.

CDP have incorporated the GHG Protocol Scope 2 accounting rules into the Climate Change questionnaire, widening the scope of influence to the companies that disclose to CDP.



3. Ambition.

RE100, a global initiative by the Climate Group and CDP, is encouraging businesses to commit to purchasing 100% renewable electricity. Over 150 ambitious corporates have signed up to the initiative.



How you can make the most of your renewable energy purchase?

EcoAct helps clients to source and adopt the most cost effective market instruments that enable them to claim lower greenhouse gas emissions.

Renewable Energy Certificates (RECs) and Guarantee of Origins (GOs) enable organisations to support the production of energy from renewable sources and reduce their own environmental impacts. RECs and GOs guarantee that a specific unit of electricity has been produced from a specific source (e.g. hydropower, wind power, etc.).

The benefits

- Transparency in electricity sourcing for auditors through European and UK registries rather than having to check with individual suppliers.
- Procurement and cancellation of REC or GO that meet the good quality criteria prescribed by the GHG Protocol.
- To choose the location, technology and quality of renewable energy projects you would like to support by buying renewable certificates unbundled from electricity.
- Your business to make cost savings by choosing to buy unbundled energy.

What are RECs and GOs?

RECs and GOs represents the environmental attribute (but not the electricity) associated with one megawatt-hour (1 MWh) of renewable energy generated. It can come from wind, hydro, solar, biomass.

When low-carbon power is delivered to the electricity grid, the associated renewable energy certificate (REC or GO) can be sold independently from the power generated (it is unbundled).



Our process

1. Review the current situation and tariff.
2. Benchmark tariff against geographies and scales.
3. Assess cost, quality, location, and vintage requirements.
4. Guide you through contracting according to good practice and accounting standard requirements.
5. Support your communication to your stakeholders.
6. When our clients purchase electricity and certificates in a bundled way, we would look at how an unbundled option can bring added value.

Your climate experts.

Your partner for positive change.

EcoAct is an international advisory consultancy and project developer that works with clients to meet the demands of the Paris Climate Change Agreement. We work with many large and complex multinational organisations to offer solutions to their sustainability challenges.

We believe that climate change, energy management and sustainability are drivers of corporate performance and we seek to address business or organisational problems and opportunities in an intelligent way.

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