



# CARBON OFFSET PROGRAM

## Frequently Asked Questions



**Q: What is a renewable energy certificate (REC)?**

**A:** A REC represents the environmental and other non-power attributes of renewable electricity generation and are a component of all renewable electricity products. RECs are measured in single megawatt-hour increments and are created at the point of electric generation.

**Q: How are RECs tracked?**

**A:** RPU utilizes the Mid-West Renewable energy tracking system (MRETS) to track renewable energy credits. Currently used by Illinois, Iowa, Manitoba, Minnesota, Montana, North Dakota, South Dakota, and Wisconsin.

**Q: What is the Minnesota Renewable Standard?**

**A:** Minnesota § 216B.1691, mandates electric utilities generate 25% of load from renewable sources by 2025 with increasing levels of carbon-free energy reaching 100% in 2040. The state charged the Public Utilities Commission with setting up the mechanisms (tracking, allowable resources, life of credits, and retirement schedules).

**Q: Where do RECs come from?**

**A:** The majority of RPU's RECs are from the Lake Zumbro Hydro Plant and the Valleyhigh Solar Installation. However, any of the following sources meet the State's requirements: biofuels, biomass, fuel cells, hydro, wind, landfill gas, municipal waste, photovoltaic, and solar thermal electric. The REC levels of Gold 50%, Platinum 75%, and Diamond 100% take into account the 25% renewable energy provided by RPU's wholesale supplier, Southern Minnesota Municipal Power Agency (SMMPA).

**Q: Why does RPU track RECs?**

**A:** RPU utilizes Mid-West Renewable energy tracking system (MRETS) to meet the Minnesota State Renewable Energy Standard as mandated by the RPU Board.

**Q: Why are there extra RECs available?**

**A:** RPU purchases the majority of its energy from SMMPA, which includes renewable energy at the level set by the Minnesota Renewable Standard. The RECs produced by RPU's Lake Zumbro Hydro Plant and the Valleyhigh Solar Installation are more than RPU needs to meet the renewable requirements and goals, leaving RECs available for our customers.

**Q: What value does a REC have?**

**A:** RECs are the renewable attribute associated with a megawatt-hour of electricity. The cost of producing power with renewables is more than that of traditional fossil fuels. The REC is a means to place value on the social benefits of the generation source. By purchasing a REC, the holder can claim that their energy is offset by a green generation source.

**Q: Can anyone claim that their energy usage is from 100% renewable sources?**

**A:** The only way is if the user is 100% off of the electric grid and all of its energy is produced onsite with renewable sources. Anyone connected to the grid is theoretically connected to every generator online at any given time. Most everyone making renewable claims are utilizing offsets. This gives everyone an equal chance to participate in renewable energy.