



Carbon Credits

Renewable Energy Certificates (RECs)

What are they?

A Carbon Credit represents one metric ton of CO₂e emissions avoided from an emission reduction project.

A REC represents the renewable component of one kilowatt hour (kWh) of electricity generated from an acceptable or predefined clean, renewable source. RECs do not represent the electricity itself - the electricity is considered a different product.

Where do they come from?

Carbon Credit can be from any registered emissions reduction projects, such as emissions reduction at landfills, reforestation or renewable electricity projects.

RECs are from renewable electricity projects only.

What are they used for?

When you purchase a Carbon Credit, you can offset your emissions not only generated from electricity consumption, but also from any other activities that generate emissions such as air travel, commuting or events.

When you purchase a REC, you can claim the renewable benefits for an equivalent amount of your conventional electricity use.

What is the regulatory arrangement?

Carbon Credits are issued by globally recognized carbon credit registries, the most well-known of which are the Clean Development Mechanism (CDM) and the Verified Carbon Standard (VCS). Carbon Credits can be traded on either mandatory or voluntary markets. For more information on Carbon Credit registries and markets, please refer to the FAQs below.

Rules and regulations for RECs vary by region and country. They can be developed and enforced by regional governments, national governments or various regulatory bodies, depending on the country and jurisdiction.