



UNDERSTANDING RECS

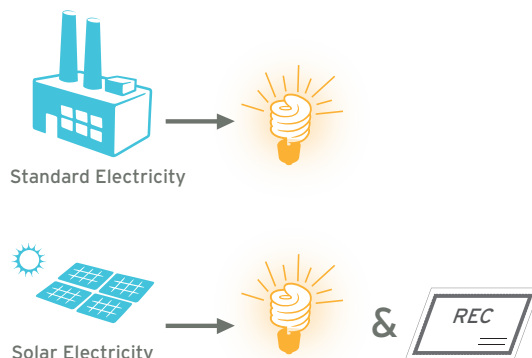
Your investment benefits all of us

Your solar electric system produces more than just electricity. It also provides environmental, social and other non-power benefits for our entire state by offsetting power that might otherwise be generated by burning fossil fuels. These additional benefits are referred to as Environmental Attributes and are most commonly quantified as Renewable Energy Certificates.

What are Renewable Energy Certificates?

Renewable Energy Certificates (RECs), also known as green tags, represent the environmental benefits associated with generating electricity from renewable resources like solar. RECs are a separate product from the electricity that is generated and may be separately traded to businesses, individuals and utilities that want to support renewable energy.

The owner of a REC can make certain green energy claims, such as their home or business being powered by green energy. If the REC is sold or traded, the new buyer owns the renewable and environmental aspects of the energy and can make the green energy claims.



How many RECs are created by a solar system?

For every megawatt hour of electricity generated by a renewable energy system, one REC is created. An average 6-kilowatt residential solar system will generate about seven RECs in one year.

You can estimate how many RECs your system will generate each year by dividing the expected annual electricity production in kilowatt hours by one thousand. Refer to your Energy Trust of Oregon paperwork or the system information provided by your contractor for an estimate of your yearly electricity production.

Who owns the RECs produced by my solar electric system?

In the vast majority of cases, if you own your system, you own all the RECs produced during the first five years your system is operating, as well as those produced after the twentieth year of operation. Energy Trust owns the RECs produced in years six through 20. In some rare circumstances, you may have a different period of ownership. Your REC ownership period is explained in the Terms and Conditions of your Energy Trust incentive application agreement in the Ownership of Environmental Attributes section.

If you signed a lease for your system, the company you lease from shares ownership of the RECs with Energy Trust. Refer to your lease agreement to understand how your solar lease provider manages RECs during their period of ownership.

What does Energy Trust do with the RECs that it owns?

The incentive you received for your system came from the customers of Portland General Electric or Pacific Power. The portion of RECs claimed by Energy Trust reflects this investment and recognizes all the customers that made the incentive payment possible. In return, Energy Trust holds the RECs it owns in trust for those customers.

Can I sell my RECs?

You may sell the RECs associated with your electricity generation during the years when you own the RECs; however, you may not sell them during the time period when Energy Trust owns them. The market for RECs is constantly changing and the availability of buyers is not guaranteed. Energy Trust does not buy RECs, and we know of no organization that is currently purchasing RECs from small system owners in Oregon.

Selling your RECs may limit the environmental claims you can make about your system. The Environmental Protection Agency's Green Power Partnership program provides guidance about making green claims at www.epa.gov/greenpower.

What happens to my RECs if I sell my home or business?

Your agreement with Energy Trust stipulates that you will leave your system on your home or business if you move. The new owner will own the solar electric system, along with any RECs generated during the remaining part of your REC ownership period.



For more information about RECs, visit the Environmental Protection Agency's Green Power Partnership website at www.epa.gov/greenpower.