

# Renewable Energy Certificates (RECs)

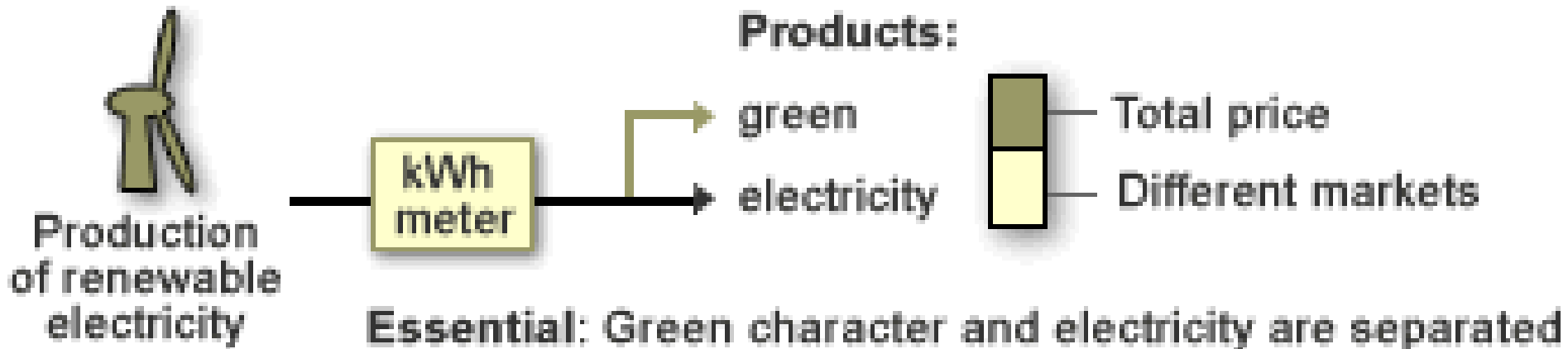
Introduction

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RECSA  
Pretoria, December 2020

# RECs

REC = Renewable Energy Certificate

- In practice, RECs are electronic records that verify the origin of energy from registered renewable energy facilities.

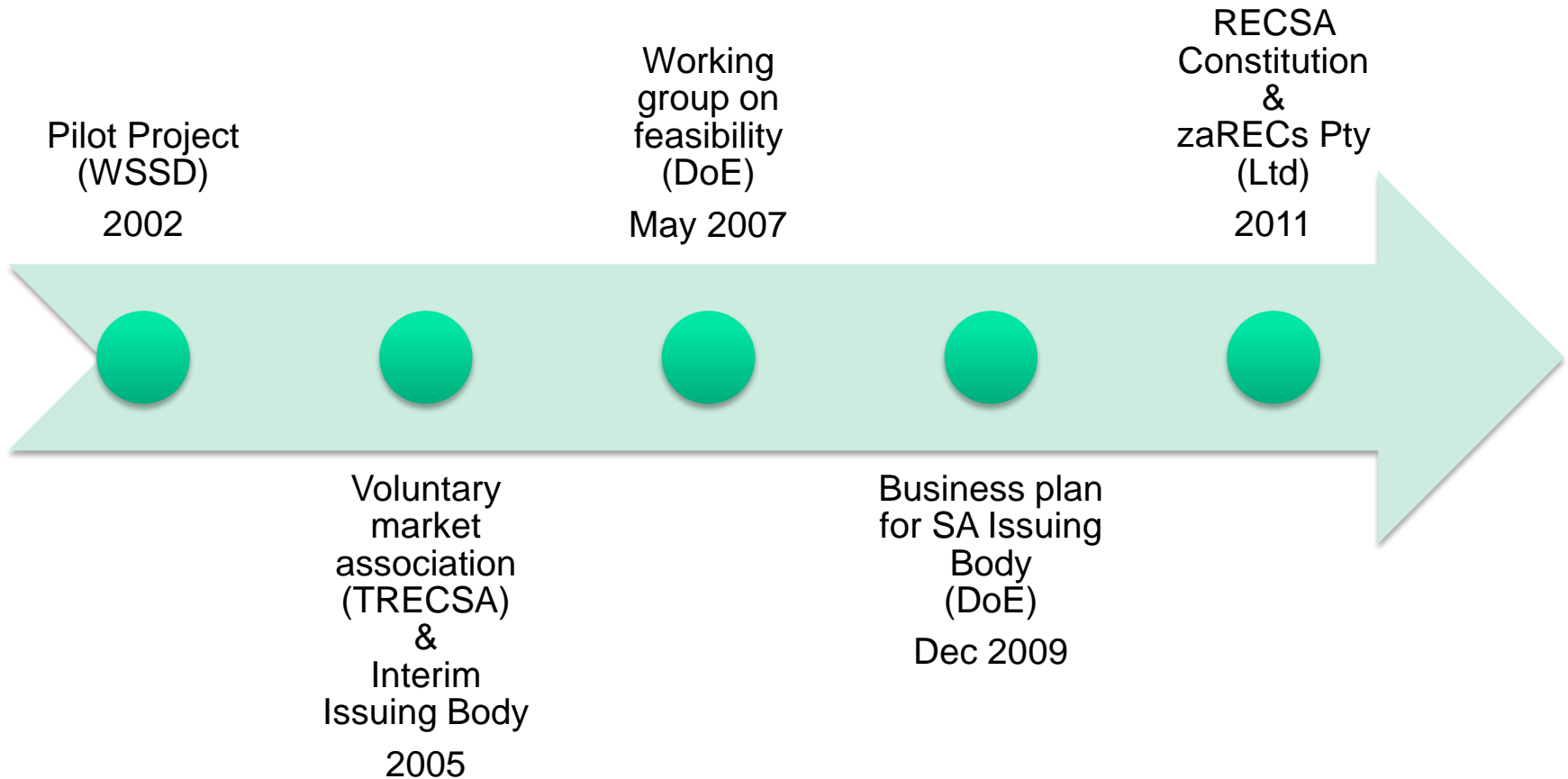


Source: EC 2000

**How would one farmer sell a bucket of water to another?**



# Timeline



# Current Market

- Voluntary greening market
  - Events
  - Projects and programmes
  - Premises and facilities
- Export potential
  - Interaction with international standards
- RECs for Carbon Offsets
- Monitoring of policy measures
  - be it support or obligation
  - Green power physical trading license verification SA
- 2019 Issuance 249 804 MWh
- A tool to underpin market stimulation CHOICE

## REC Redemption Statement

This Redemption Statement acts as a receipt for the redemption of the Renewable Energy Certificates listed below and for the purpose shown.

|                                       |   |  |   |
|---------------------------------------|---|--|---|
| <b>Account Holder</b>                 | <a href="#">SANEDI</a>                      | <b>Account Number</b>                  | 30XSANEDIW  |
| <b>Address of Account Holder</b>      | 152 Ann Crescent<br>Sandton<br>South Africa | <b>Registry Redeemed from</b>          | <a href="#">RECSA</a><br>Country Code 27<br>South Africa  |
| <b>Total of Redeemed Certificates</b> | 7   | <b>Total number of MWh represented</b> | 70 (Seventy)  |
| <b>Redemption Date</b>                | 2018-01-12                                  | <b>Redemption category</b>             | Disclosure  |
|                                       |   | <b>Beneficiary</b>                     | <a href="#">Switch Africa Green</a> (30XSWITCHE)  |
|                                       |   | <b>Redemption purpose</b>              | Offset of Greenhouse gas emissions related to the SWITCH Africa Green project titled 'Sustainable Energy Consumption and Production in Agriculture and Integrated Waste Management, which ran in South Africa from November 2016 to January 2018. |

| Production Device ID               | Energy Source                       | Domain of Origin | Public Support | Additional Remarks by the Issuing Body |            |  |
|------------------------------------|-------------------------------------|------------------|----------------|--|------------|--|
| <a href="#">000000270000000038</a> | Biomass:<br>Agricultural co-product | South Africa     | None           |  |            |  |
| From Certificate ID                | To Certificate ID                   | Certificates     | MWh            | Production Period from / to            | Issue Date |  |
| 00000027000000003812752144638      | 00000027000000003812752144644       | 70               | 70             | 2017-04-28 19:00 To 2017-04-29 03:00   | 2017-12-05 |  |

# RENEWABLE ENERGY LABEL

This certifies the issuance and redemption of :

13 RENEWABLE ENERGY CERTIFICATES

000000252127030133787

To

000000252127030133799

REPRESENTING 13 MWH OF GREEN ELECTRICITY GENERATED FROM  
**DOORKOP COMMUNITY CENTRE PV**  
BY KELIANA MANAGEMENT COMPANY AGAINST GREENING OF ELECTRICITY FOR  
**CITES COP17 WORLD WILDLIFE CONFERENCE**  
**SEPTEMBER 2016**

zaRECs administers the SA voluntary REC market on behalf of RECSA



# RENEWABLE ENERGY

This certifies the issuing, transfer and redemption of

20 RENEWABLE ENERGY CERTIFICATES  
NRS. 0010712730144534 TO 0010712730144553  
REPRESENTING 20 MWh OF GREEN ELECTRICITY GENERATED FROM HYDRO POWER AT  
FREDENHEIM MICRO-HYDRO PLANT IN MPUMALANGA

To



ORION HOTELS AND RESORTS  
FOR THE GREENING OF ELECTRICITY FOR  
SWITCH AFRICA GREEN Project Steering Committee Meetings 2016/7



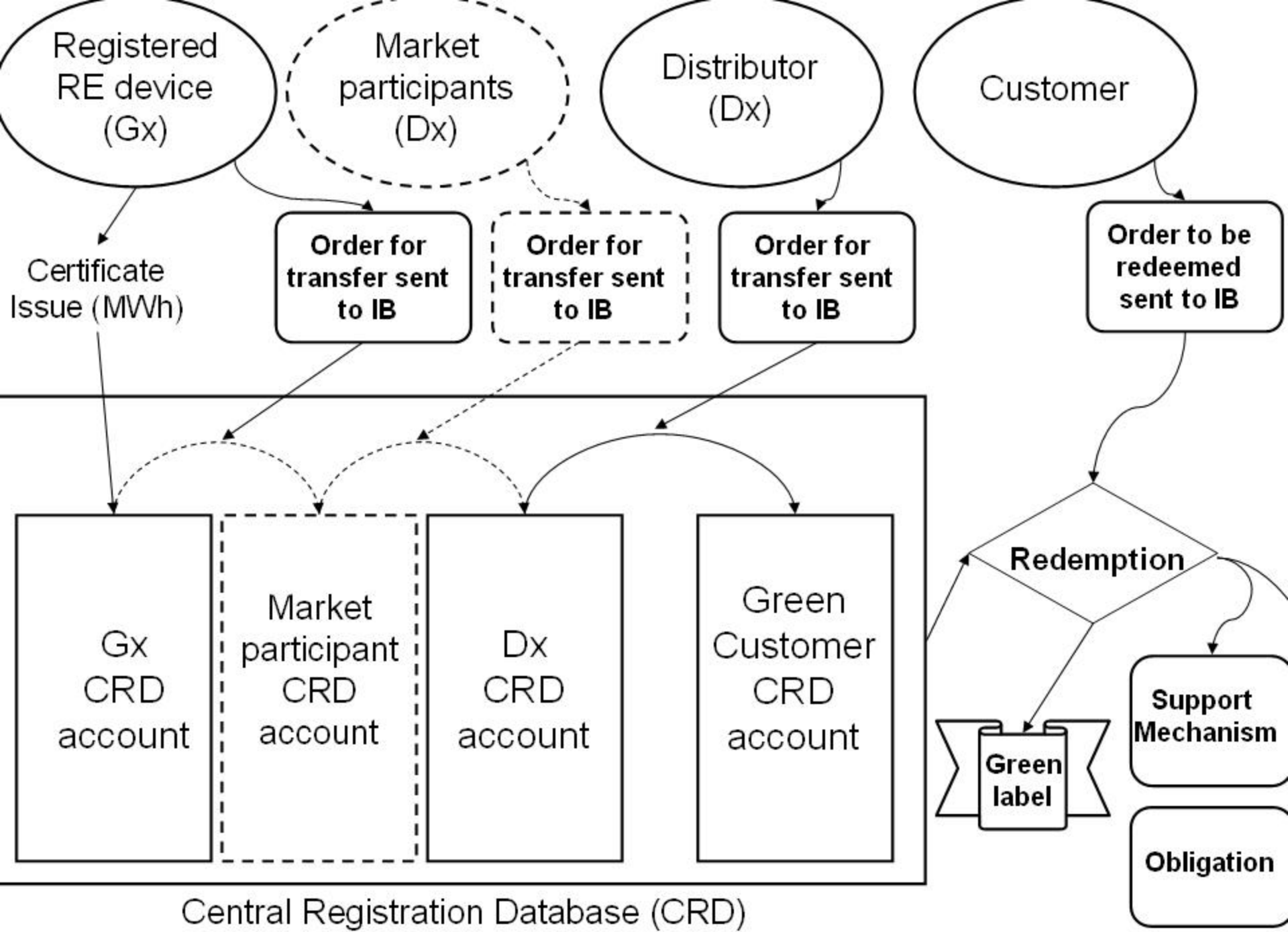


# Different revenue streams

- Physical power
- RECs – ‘green’ attributes
  - Attributes include:
    - Local environment (local action for local benefit/avoided damage)
    - Public good (benefit) – job creation, economic stability,
    - Other externalities – avoided morbidity
    - Small is profitable, diverse is robust.
- Emissions reductions
  - Market-based reduction of Scope 2 GHG emissions
  - Eligibility in Carbon Offset Accounting System  
forseen

# REC system process

- Device registration – by renewable energy declaration.
- Certificates are issued upon production
- Record of transfer between market participant accounts and redemption is retained by the Issuing Body (IB) – not financial details of transaction
- Certificates are redeemed when they are no longer available to be traded.
- They are redeemed:
  - prior to green labelling in voluntary markets (products, events or general disclosure of environmental performance)
  - in claiming production-based support
  - in proof of compliance with purchase or supply obligations
  - upon international export (transfer to intl. customer's CRD account – or cancellation and ex-domain issuance)



# How to get going with RECs

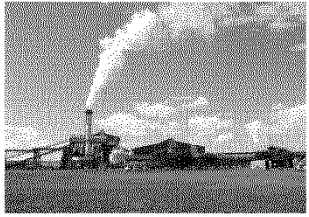
- Apply for Device Registration
  - Under existing Protocol
  - Request specific Protocol to be developed
- Device Audit to follow
  - Validation of generation technology in line with Protocol
  - Validation of metering and reporting
- RECISA registration of the device

## Appendix 2. Device Registration Confirmation

16 April 2016

This certifies that

**TSB Sugar RSA Ltd.: Komati Sugar Mill**



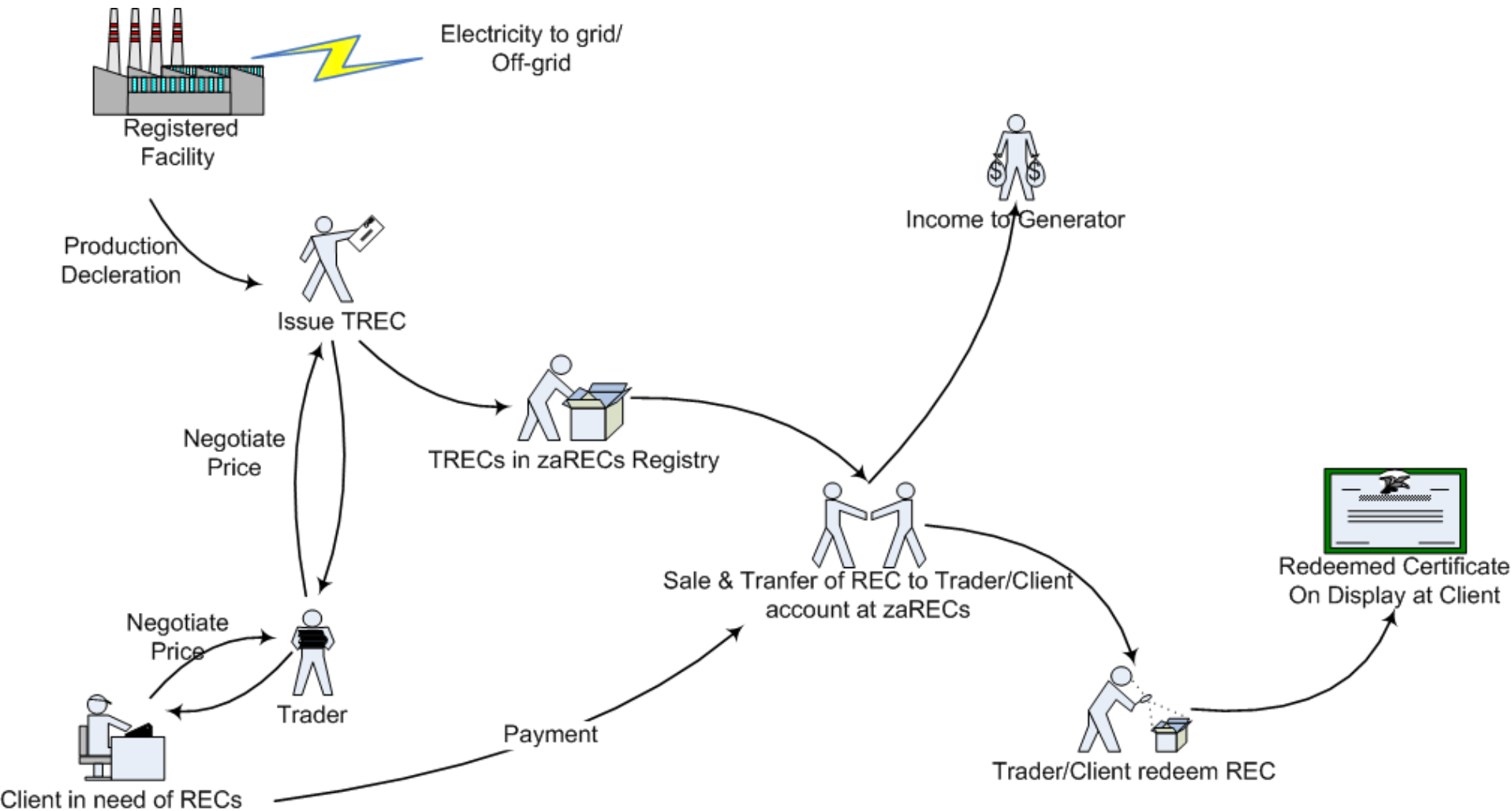
has satisfied<sup>1</sup> the criteria in the Dagbalee based cogeneration facility subsidiary document of the eRenew domain protocol for registration as a

**Renewable Energy Source Electricity  
Production Device<sup>2</sup>**

Device No eRen: 00000027000000038

<sup>1</sup> The registration is valid for a period of 12 months from the time of device registration.  
<sup>2</sup> The production device registration must report all relevant technologies used in the document of the eRenew domain protocol and submit them to the registration.

# Trading in RECs



Governance Body  
of Market Participants

**RECSA NPO  
Operating as  
Issuing body**

Production Registrar (PR) to verify  
production device's compliance

Auditing Body (AB) to audit the  
continued fulfilment of conditions for  
RECSA registration.

Central Monitoring Office (CMO) to  
operate the CRD: zaRECs

# Recent developments

- Scope 2 GHG Protocol Market Approach
  - Price and volume discovery
- RECs for Carbon Offsets Pilot update
- Device and redemption account uptake
- RECSA determinations on eligibility and fungibility
- RE100 and CDP disclosures along with South African Carbon Tax drive demand beyond supply for the first time since inception.

















Thank you.

RECSA

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