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QuickPoint! – Renewable Energy Certificates Don't Turn on Your Lights

By Allison Coleman

Over the past two decades there has been a large push for environmental policy initiatives.

Unfortunately, some of these policies do nothing for the environment. The sale of so-called "green power" by electric utilities is one example. More than 60 Northwest utilities market green power products to consumers through monthly subscriptions, in which consumers think they are buying electricity from clean and renewable sources. Utilities promote these at different levels, ranging from platinum to silver, depending on the amount a customer spends.

However, customers are not actually buying renewable energy. Instead, they are buying "Renewable Energy Certificates" (RECs), which simply offer them the bragging rights associated with renewable power produced somewhere. The electricity may be sold to a homeowner in Montana, while the REC associated with that power is sold to a consumer in Oregon.

The REC itself is not a unit of electricity. In fact, it doesn't even exist; it's just an electronic number.

From 2011-2015, Multnomah County spent \$230,000 on RECs. In 2016, the City of Beaverton spent \$29,282. In 2015, Metro spent \$104,539.

Every dime of that money was wasted. Taxpayers received no green power, or power of any kind.

Individual consumers are free to spend their own money on worthless junk. Elected officials spending tax dollars should be held to a higher standard.

Allison Coleman is a Research Associate at Cascade Policy Institute, Oregon's free market public policy research organization.

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