

International RECs (I-RECs)

Enabling Businesses to Meet Renewable Energy Commitments Throughout the World

What is an I-REC?

An I-REC (International Renewable Energy Certificate) is a type of Energy Attribute Certificate (EAC), which represents one megawatt hour (MWh) of electricity produced by renewable sources.

How can purchasing I-RECs benefit my business?

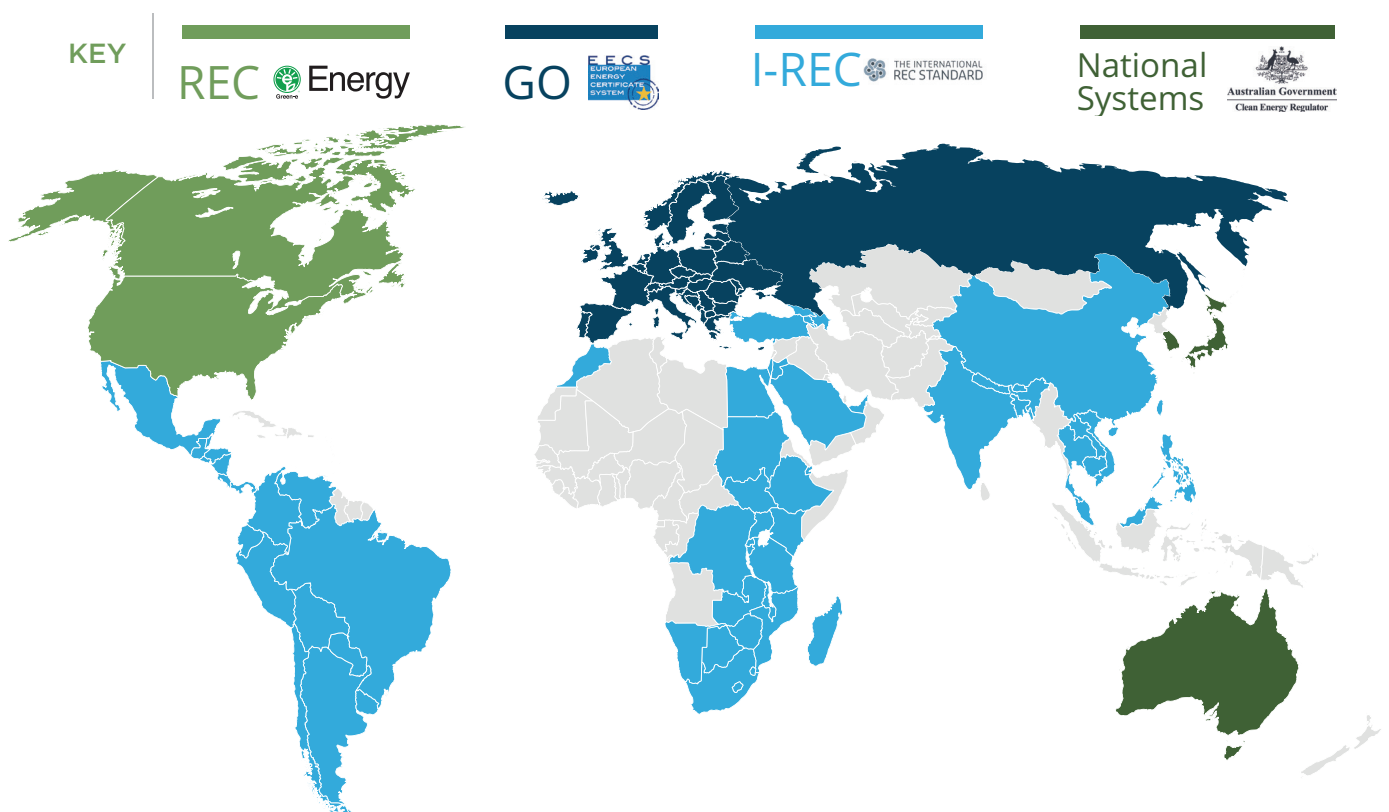
Like all EACs, I-RECs enable companies to credibly demonstrate renewable energy consumption and report lower Scope 2 emissions. I-RECs are particularly useful to companies with global operations and a target to source 100% renewable energy around the world.

Where are I-RECs available?

EACs are available globally. While Guarantees of Origin (GOs) originate in Europe and Renewable Energy Certificates (RECs) originate in North America, I-RECs are readily available for companies to source in a growing number of countries outside of these regions across Africa, Asia, South and Central America and the Middle East, as shown in Figure 1.

I-REC Issuers are now authorised in 22 countries and current global I-REC electricity capacity is more than 11,000 MW as of July 2018. In 2017, in excess of 4 million MWh of I-RECs were issued.

Figure 1: I-RECs and Other EACs Available Around the World



What is the I-REC Standard?

The I-REC Standard operates a single global registry through which energy products from renewable sources can be certified through the electricity supply chain. Established in 2014, it provides an electricity attribute tracking system that can be introduced to any country. It is a non-profit foundation based in the Netherlands with the goal of empowering electricity purchasers with the ability to make renewable consumption choices in any region of the world.

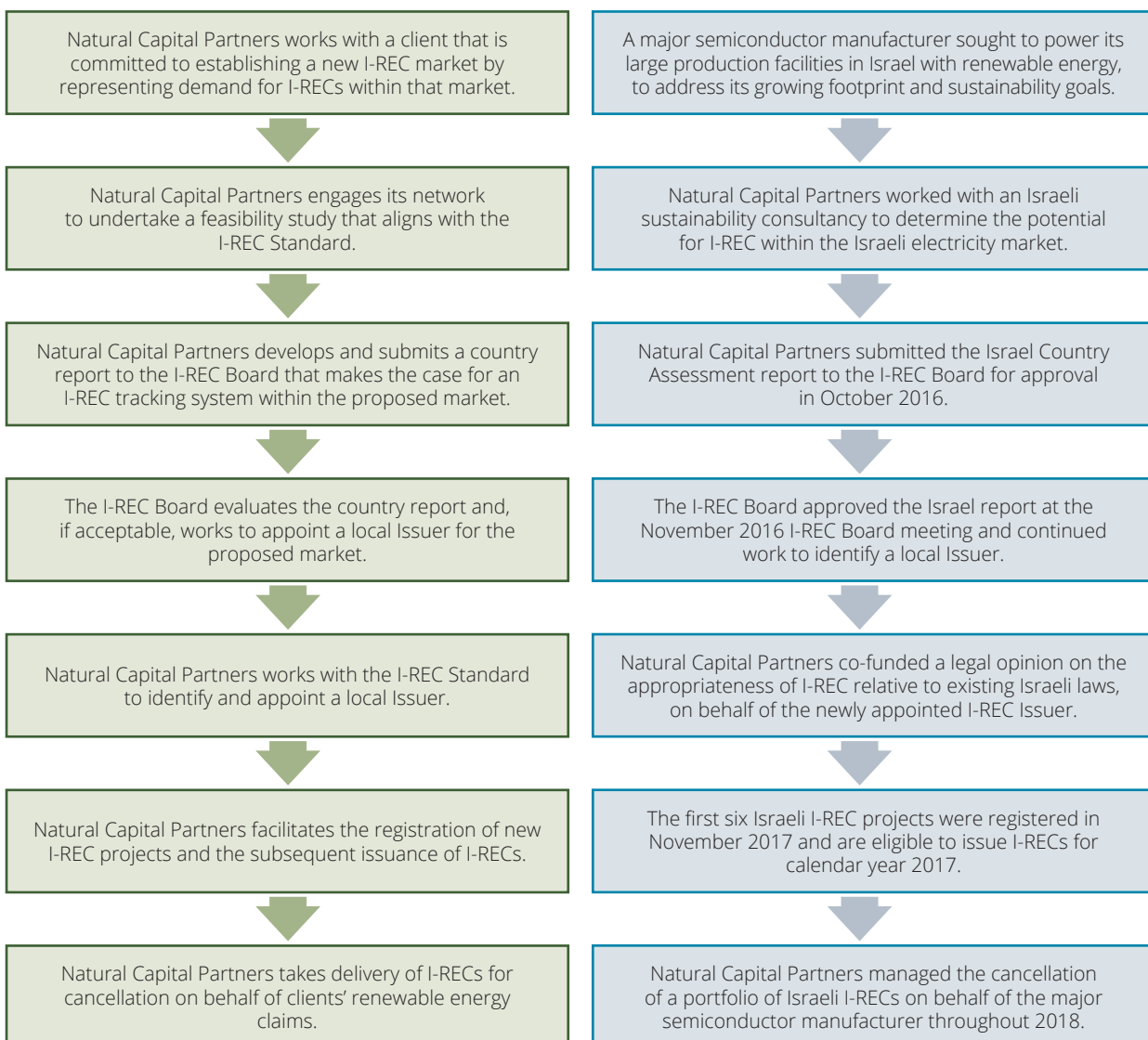
The I-REC Standard is acknowledged by the major reporting frameworks including The Greenhouse Gas (GHG) Protocol, CDP and RE100, as an appropriate and credible tracking instrument. System-wide rules and best practices

are applied in every I-REC market to ensure the I-REC tracking system meets the quality criteria of the GHG Protocol Scope 2 Guidance.

Developing new renewable technologies in emerging markets

A company wishing to purchase renewable energy in a market which does not yet have the infrastructure available for credible renewable energy transactions can work with Natural Capital Partners to establish the I-REC Standard within a new market through the process outlined in Figure 2. A client example is provided alongside this process, which resulted in a major semiconductor manufacturer purchasing I-RECs in Israel. I-RECs are now available for all companies to purchase in Israel.

Figure 2: Natural Capital Partners' Approach to Developing New I-REC Markets



Throughout this process, Natural Capital Partners engages with local renewable energy generators to educate them about the I-REC Standard and the benefits of registering their projects.

The I-REC system represents an internationally-applicable framework allowing consumers to express demand for specific types of renewable generation. This means that an I-REC tracking system can be established in any country with the appropriate market conditions.

Natural Capital Partners has been at the forefront of creating renewable energy solutions for businesses with global requirements and is working with companies, project developers and the I-REC Standard to expand the I-REC system into new markets. We have set up renewable energy projects issuing I-RECs in more than 16 countries to meet client demand, including in Brazil, Israel, and the Philippines.

Businesses with significant electricity consumption and a desire for renewable energy solutions can leverage their demand to initiate new I-REC markets. Such action will enable companies to gain first-mover advantage in that country by working with market participants and developers, enabling the business to have a voice in the market going forward.

Once this market is established, it allows the business and all other consumers in that market to make a renewable choice. As this robust electricity tracking system enables the market to mature, it can facilitate sophisticated I-REC-linked solutions, underpinning Power Purchase Agreements (PPAs), green tariffs and other grid-connected renewable sourcing methods that have a direct impact on new renewable supply.

Buyers with global renewable energy commitments are initiating I-REC transactions with the understanding that they are a fundamental requirement to the development of tracking systems in new markets.

About Natural Capital Partners

Natural Capital Partners manages renewable energy portfolios, including I-RECs, on behalf of clients. With more than 300 clients in 34 countries, we deliver high-quality solutions for renewable energy, carbon emissions measurement and reductions, water stewardship, building supply chain resilience and protecting biodiversity.

[Contact us to find out how to optimise your I-REC purchases and achieve renewable energy targets around the world:](#)

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