

## Who Is Buying New York Renewable Energy Credits (RECs)?

### Overview

In New York, Renewable Energy Credits (RECs) are purchased by a range of entities, both to comply with state mandates and to voluntarily support renewable energy development. The buyers include utilities, government entities, and private organizations, each with different motivations and obligations.

### Key Buyers of New York RECs

- **Load Serving Entities (LSEs) / Utilities**
  - The primary mandated buyers of Tier 1 RECs are utilities and other LSEs. They purchase RECs to meet the Renewable Portfolio Standard (RPS) and Clean Energy Standard (CES) obligations set by the New York State Public Service Commission (PSC). These requirements are designed to ensure that a certain percentage of the electricity they supply comes from renewable sources<sup>[1] [2]</sup>.
  - Major utilities involved include Consolidated Edison, Orange and Rockland Utilities, Central Hudson Gas and Electric, Rochester Gas and Electric, New York State Electric and Gas, and National Grid<sup>[3]</sup>.
- **NYSERDA (New York State Energy Research and Development Authority)**
  - NYSERDA is the largest purchaser of Tier 1 RECs in New York. It procures RECs from renewable energy generators through competitive processes and then sells them to LSEs to help them meet state-mandated clean energy goals<sup>[4] [1] [2]</sup>.
  - NYSERDA also offers voluntary REC sales, allowing organizations to purchase high-quality, New York-based Tier 1 RECs to support their own sustainability or ESG commitments<sup>[4]</sup>.
- **Government Entities**
  - The City of New York has committed to purchasing enough RECs to power all city government operations with 100% renewable electricity, in partnership with NYSERDA. This is part of the city's climate mitigation strategy and its compliance with Local Law 97, which requires large buildings to reduce emissions<sup>[5] [6]</sup>.
- **Commercial and Institutional Buyers**
  - Corporations, universities, and other organizations voluntarily purchase RECs to meet internal sustainability targets, claim environmental benefits, and demonstrate climate leadership. These voluntary buyers can purchase RECs directly from NYSERDA or from other market participants<sup>[4]</sup>.

### Special REC Programs

- **Tier 4 RECs**

- Designed specifically for New York City (Zone J), Tier 4 RECs can be purchased by building owners and operators to offset emissions under Local Law 97. These RECs are tied to new renewable generation delivered directly into NYC, with recent contracts awarded to projects like Clean Path New York and Champlain Hudson Power Express<sup>[5]</sup>.

- **Offshore Wind Renewable Energy Credits (ORECs)**

- NYSEERDA has also procured ORECs from offshore wind projects, which are paid for by New York ratepayers through the Clean Energy Standard's OREC Tier<sup>[2]</sup>.

### Summary Table: Main Buyers of NY RECs

Buyer Type	Motivation/Requirement	Example Programs/Actions
Utilities/LSEs	State-mandated RPS/CES compliance	Purchase Tier 1 RECs via NYSEERDA
NYSEERDA	Aggregator/Reseller, State compliance	Procures and resells RECs, offers voluntary REC sales
City of New York	Municipal operations, Local Law 97	Committed to 100% renewable electricity via REC purchase
Commercial/Institutional	Voluntary sustainability/ESG goals	Purchase voluntary Tier 1 RECs from NYSEERDA
Building Owners (NYC)	Local Law 97 emissions compliance	Purchase Tier 4 RECs

### Conclusion

The main buyers of New York renewable energy credits are utilities (to meet state mandates), the City of New York (for municipal operations and Local Law 97 compliance), and a growing number of voluntary corporate and institutional purchasers seeking to advance their sustainability goals. NYSEERDA plays a central role as both the largest purchaser and reseller of RECs, ensuring quality and supporting the growth of New York-based renewable energy projects<sup>[4] [1] [6] [2]</sup>.

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1. <https://www.energyby5.com/understanding-recs-in-ny-2024>
2. <https://www.seadvantage.com/blog-post/10-takeaways-on-ny-big-energy-buy/>
3. <https://prquinlan.com/energy-efficiency/key-players-in-the-new-york-energy-market-and-updates-in-renewable-energy-incentives>
4. <https://www.nyserda.ny.gov/All-Programs/Clean-Energy-Standard/Voluntary-REC-Sales>
5. <https://environenergy.com/2021/12/a-breakdown-of-the-tier-4-recs-renewable-energy-policy/>
6. <https://www.smartenergydecisions.com/news/new-york-city-announces-step-towards-large-renewable-electricity-buy/>

