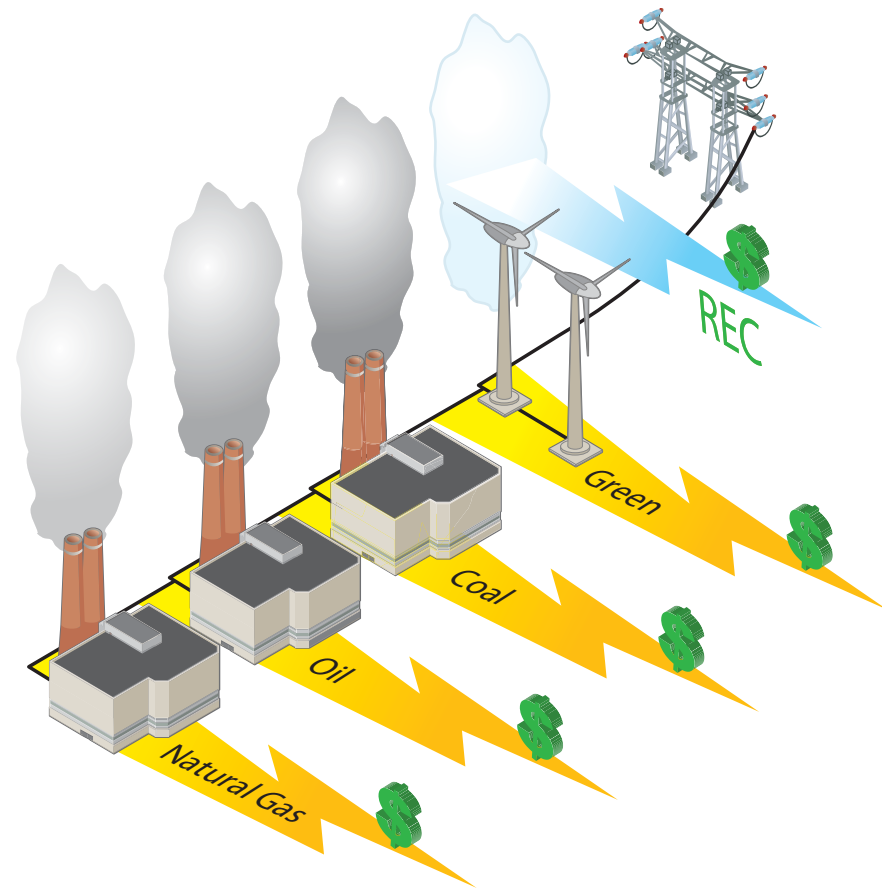


Before RECs

Emissions are seen as a global blanket of smog. Fossil fuel plants are free to contribute to the problem without penalty. No recognition is given to the value of green energy's zero-emission status. In the open market for electricity, green energy has an unfair disadvantage because it cannot compete dollar for dollar with cheaper fossil fuel plants.



After RECs

The blanket of smog is lifted. Each plant is given an equal emission allowance. For fossil fuel plants, this emission is full of greenhouse gases and pollution. For green energy, the emission is clean. They convert the value of their emission, its "cleanliness," into a REC, and sell it. With the added income from the REC, they can lower their electric price and compete.