

EAC - Northmore Gordon

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EAC

EAC stands for Energy Attribute Certificate, a generic term for a certificate issued for 1 MWh of renewable electricity generated. EACs are tradeable instruments representing renewable electricity attributes that can be procured and retired to support renewable-electricity claims and market-based accounting. The certificate records the renewable electricity characteristics and represents rights that must be carefully managed when transferred or retired. One EAC corresponds to one megawatt-hour of renewable electricity generation.

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What does EAC stand for and what does it represent?

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How do EACs differ from physical electricity, and why does this distinction matter?

EACs represent the renewable electricity attributes—the ownership rights and energy characteristics—separate from the physical electricity itself. This distinction is critical because generating, consuming and retiring an instrument must be handled consistently in any renewable-electricity claim. An organisation can purchase EACs without changing its existing electricity supply contracts, meaning the physical power may come from one source while the renewable attributes are purchased separately. This separation enables flexible procurement strategies like moREnewable100, which allows certificate acquisition without electricity retailer replacement.

Is EAC the same as a Renewable Energy Certificate (REC)?

Yes, EAC is used interchangeably with Renewable Energy Certificate (REC) in our glossary. Both terms describe tradeable instruments representing renewable electricity attributes. However, specific certificate types—such as STCs (Small-scale Technology Certificates), LGCs (Large-scale Generation Certificates), REGOs (Renewable Electricity Guarantee of Origin), and I-RECs (International

Renewable Energy Certificates)—have distinct eligibility, creation and use rules. These should not be treated as interchangeable incentives, as each belongs to its own scheme with particular requirements and limitations.

What accounting framework governs the use of EACs for corporate emissions claims?

EACs are used in market-based Scope 2 accounting under the GHG Protocol Scope 2 Guidance, which addresses purchased electricity and other acquired energy. The guidance provides quality criteria for contractual instruments like EACs when used in market-based Scope 2 calculations. To support a renewable-electricity claim, an organisation must establish the applicable reporting framework, confirm ownership and exclusive claim rights, document registry transfer and retirement evidence, and maintain a claim file with exact wording, supporting calculation, source documents and period. Purchasing an EAC does not automatically establish every possible environmental claim; the specific reporting framework and boundary must be defined first.

How does ownership of EACs affect an organisation's ability to make renewable-electricity claims?

Ownership of EACs is fundamental to making valid renewable-electricity claims. Before scheme participation or making any public claim, an organisation must document the entity controlling the facility, the rights to environmental attributes, and what claim—if any—can be made after certificates are transferred, surrendered or retired. Selling EAC attributes while retaining the ability to make an equivalent renewable-use claim must not be assumed compatible. Our moREnewable100 service and broader environmental certificate services support organisations in establishing proper ownership documentation and conducting environmental-attribute due diligence before procurement and retirement to ensure claim validity.

What happens when EACs are transferred between parties, and what documentation is required?

EACs are tracked, transferred and retired through certificate registries as part of evidence requirements for renewable-electricity claims. When an EAC is transferred, ownership rights and the intended claim must be carefully managed to maintain claim validity. The transfer process requires documentation in the relevant registry to record the change of ownership and any restrictions on future use. Before transferring EACs, organisations should confirm the retirement treatment—the procedure and accounting method used to remove the certificate from circulation after it has been used to support a claim. We assist clients in managing these transfer and retirement processes to ensure compliance with applicable schemes and reporting frameworks.

Can EACs be created for the same electricity generation as other renewable certificates like LGCs or REGOs?

No. A facility cannot create EACs, LGCs (Large-scale Generation Certificates), REGOs (Renewable Electricity Guarantee of Origin) and I-RECs (International Renewable Energy Certificates) for the same electricity generation. Each certificate type belongs to a distinct scheme with its own rules and limitations. Choosing which certificate pathway applies depends on the technology, rated capacity, output profile, commissioning date, facility ownership, and the intended claim. Our renewable certificate services help organisations separate three key questions: which scheme the facility can participate in, which certificates can be created for the relevant generation, and what claim the purchaser can make after certificates are retired.

What role do EACs play in renewable energy procurement strategies?

EACs enable flexible renewable energy procurement by allowing organisations to purchase renewable attributes independently of their existing electricity supply arrangements. Our moREnewable100 service describes procuring renewable energy certificates without changing electricity supply contracts, providing multi-site coverage, procurement flexibility and RE100-aligned sourcing. Certificate quantity, eligibility, verification cost and sale price are separate commercial variables. An investment case

should compare a base case without certificates against an incentive scenario to establish realistic value. Certificate accounting and carbon offsets serve different purposes and must not be conflated when establishing claims or reporting greenhouse gas emissions.

How should EAC quantity and pricing be treated in a financial analysis or investment case?

EAC quantity and price must be shown separately in investment case analysis rather than combined into a single assumption. Certificate price should be treated as a distinct uncertainty from projected quantity and abatement. When assessing eligible certificates that contribute revenue, ensure certificate quantity, eligibility, verification cost and sale price are evaluated as separate variables. Before relying on EAC proceeds in an investment case, confirm the governing scheme, activity version, main eligibility assumptions, calculation basis, evidence responsibilities and commercial treatment of certificates. Show certificate price and quantity assumptions separately and confirm whether a quoted amount represents indicative gross value or what the customer would actually receive after agreed charges.

What information should I provide to Northmore Gordon when seeking support with EAC procurement and retirement?

When seeking EAC procurement support, provide the organisation, consumption period, electricity volumes, site locations and intended reporting framework. Document whether the purpose is a renewable-electricity claim, market-based Scope 2 accounting, a voluntary commitment or another objective. Include site consumption boundaries, the instrument type required, generation location and vintage preferences, and confirm exclusive claim rights and retirement/cancellation requirements. Our environmental-attribute due diligence service verifies the integrity and validity of purchased EACs before procurement and retirement. Starting with a project brief identifying the state or country, project stage and intended outcome enables appropriate assessment of scheme eligibility, certificate pathway and commercial terms.