



What Are Clean Energy Certificates?

The UAE is one step closer to opening up a market for trading renewable energy attributes with the announcement of its Clean Energy Certificates scheme. As a voluntary tradeable financial instrument, Clean Energy Certificates will allow businesses to demonstrate their environmental credentials and reap the social benefits of consuming low- or zero-carbon energy.

The move comes as part of a larger drive towards cleaning up the country's energy and economic profile. By encouraging eco-conscious companies to source sustainable power for their business needs, the Emirati authorities hope to oversee a transition away from the damaging fossil fuels that have formed the backbone of their economic success for decades.

Verifying energy sources

As the world becomes more informed about [the relationship between air pollution and climate change](#), there has been a growing emphasis on decarbonising our economy. For an oil-rich nation like the UAE, that signifies a major shift in how its commercial powerhouses and private businesses operate.

However, it is currently impossible to differentiate electricity produced from zero-carbon energy sources from that generated by oil, gas or coal. As such, it is necessary to introduce a regulatory framework to allow both electricity providers and commercial consumers to prove that they are indeed using sustainable means to power their businesses.

With that in mind, the Abu Dhabi Department of Energy (DoE) announced its Regulatory Policy for Clean Energy Certificates in August of this year. Based upon international best practices, the policy will provide the emirate with the capability to launch its own tradeable market upon which low- and no-energy credits can be exchanged.

A non-discriminatory approach

The purchase of Clean Energy Certificates is to be open to anyone, from larger multinational conglomerates to small start-ups which prioritise environmentalism and sustainability in their business model. The certificates will be available for sale on a quarterly basis and the scheme will be supported by four “enabler” entities, which are comprised of the following:



- **The International Renewable Energy Certificate Standard Foundation (I-REC Standard)**, which will provide a centralised platform where all records of certificate transactions will be stored.
- **The Department of Energy (DoE)**, as the issuer of the certificates themselves.
- **The Emirates Water and Electric Company (EWEC)**, which will handle the influx of electricity into the national grid from DoE-approved generation sources.
- **The consumers, businesses and other participants** who will engage in the scheme by setting up their own account on the I-REC platform.

“With heightened alerts about the impacts of climate change and an increased commitment to environment protection by customers and major companies who want their practices to reflect their social responsibility, our Clean Energy Certificates offering is timely and will support end-users in their sustainability goals,” [explained Mohamed bin Jarsh al Falasi](#), Undersecretary of the DoE.