GUIDE FOR RENEWABLE ENERGY DEVELOPERS

How High-Impact REC contracts can close project financing gaps

ever.green

FEBRUARY 2026

Evaluating whether High-Impact RECs are right for your projects

Your project pencils on paper. But there's a gap between what the numbers show and what lenders need to see.

The PPA works operationally but doesn't hit debt service coverage requirements. Your IRR falls below investor thresholds. The revenue just doesn't quite close.

That's the gap high-impact REC contracts solve.

Long-term, premium-priced REC revenue can improve your project's IRR, debt service coverage, or leverage capacity enough to make it bankable. This guide helps you understand whether that makes sense for your project.

How this works

High-impact RECs are different from spot market or compliance RECs. Corporate buyers pay premium pricing for projects that demonstrate verified additionality and measurable co-benefits.

Here's why that matters for you:

- Your project needs contracted revenue to get financed
- Premium pricing creates meaningful revenue improvement
- Long-term contracts give lenders the certainty they require
- Verified impact lets buyers justify the premium to their CFO

Understanding additionality

Additionality means contracted REC revenue materially changes your project's financial outcome.

The core question: Does contracted REC revenue close the gap between where your project is now and where it needs to be to secure financing?

If REC revenue improves your project's bankability, that's additionality.

When REC revenue closes the gap

This works best when:

- Power-only revenue puts your IRR below investor hurdle rates
- Debt service coverage ratios fall short of lender requirements

- QF avoided cost or co-op pricing isn't sufficient
- You need to reduce merchant exposure to acceptable levels
- Your capital stack needs stabilization to reach financial close

The 10% materiality threshold

For a project to qualify, contracted REC revenue must improve at least one of these metrics by 10% or more:

- Project IRR increases 10%+
- Total project revenue increases 10%+
- Debt capacity or financial leverage increases 10%+
- Cost of capital (WACC) decreases 10%+
- Cost of energy (LCOE or required PPA rate) decreases 10%+

Why 10%? This threshold comes from how financial markets define "material" information. Based on SEC standards and accounting practices, 10% represents the point where an investor would want to know about something before making a decision. We use this conservative threshold to ensure REC revenue creates real financial change for your project and gives corporate buyers confidence their premium enabled something meaningful.

If you're close to the 10% threshold but have strong community impact, reach out anyway. Every project is different.

Schedule a call or reach out to us at developers@ever.green.

What makes a project "High-Impact"?

Premium pricing requires verification. The Impact Scorecard evaluates your project across four categories to document additionality, climate impact, environmental protections, and community co-benefits.

This verification and documentation is what enables buyers to pay premium pricing which is what closes your financing gap.

What we evaluate:

Additionality (required)

- New construction or repowering (not already operational)
- Environmental attributes are unbundled and available
- Project needs contracted REC revenue to be viable (meets the 10% threshold)

Grid impact

- Which grid region does the project serve?
- What's the marginal emissions rate for that region?
- How much fossil generation will this displace?

Community and economic development

- Job creation and workforce development
- Economic benefits in underserved or rural regions
- Local energy access and community engagement
- Tax revenue supporting local infrastructure

Environmental co-benefits

- Responsible land use and habitat protection
- Supply chain and labor practices
- Wildlife impact and ecosystem benefits

The scorecard documents your project's additionality and co-benefits, which is part of what justifies premium pricing.

View the Impact Scorecard →

This works best when

Your project is at the right stage:

- Site control secured (lease, purchase option, or ownership)
- Permits submitted or working toward approval
- Interconnection approved or expected soon
- Power offtake arranged (PPA, QF rates, co-op/muni PPA, behind-the-meter, or merchant)
- 6-18 months from commercial operation
- Pre-financial close

Your revenue structure allows it:

- RECs are unbundled (not included in power offtake)
- Power buyer isn't claiming renewable energy attributes
- RECs represent meaningful portion of annual generation
- No existing long-term REC contracts in place

High-Impact RECs make most sense when your alternative is selling into the spot-market. If you have access to strong compliance markets with long-term contracted pricing, compliance market offtake may already provide the revenue certainty you need.

If your situation doesn't match these exactly but you think REC revenue could make a difference, reach out anyway. This guide offers a framework, not strict pass/fail criteria.

What we'll review together

To evaluate whether high-impact RECs make sense for your project, here's what we would like to understand:

Project economics

- Current capital stack and financing terms
- Power offtake agreement or pricing assumptions
- IRR and debt service coverage calculations
- Timeline to financial close

Project details

- Location, size, technology
- Development stage and key milestones
- Community context and benefits
- Environmental attributes and offtake structure

Don't have formal pro formas yet? That's okay. We can help you model the impact of REC revenue once we understand your basic project economics.

Schedule a project review →

Questions?

Every project is different. If you're unsure whether High-Impact RECs make sense for your situation, we would rather talk than have you self-select out.

For more information about RECs, additionality, and how our marketplace works, connect with our team.