



Midwest REC Market Notes: Q1 2014

Midwest Desk

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Michigan: First quarter credit prices have held steady. We continue to see generators who are eligible for the Ohio Adjacent State market evaluate the opportunity of moving their Michigan based supply to that market.

Minnesota: No change for Minnesota RPS RECs this quarter. Pricing remains consistent with historical trends.

Missouri: Pricing for Missouri RPS RECs stays on par with the national Green-e market. Missouri obligated entities are continuing to purchase California SRECs to meet their solar needs.

Ohio: Ohio provides the interesting news in the Midwest again this quarter. The end of March saw Senate Republicans introduce SB 310, a bill that would freeze the RPS. Comments from Ohio market participants indicate that this legislation stands a decent chance of passing. Needless to say this would have a significant negative impact on the Ohio REC market. Further, PUCO provided resolution on the Safe Harbor hydro facility by revoking its Adj State certification, but grandfathering its generated RECs. While restricting forward supply, this did provide certainty that 500K+ worth of RECs would be eligible to use for RPS compliance.

Wisconsin: The Wisconsin market remains unchanged. Some non-Green-e trades have occurred to the IL IPA market at a significant discount to wind. Wisconsin RECs continue to track other, higher value REC markets such as the Green-e voluntary market, the IL ARES non-wind markets, or where eligible, the DC Tier 2 market, as there is plenty of in-state supply to meet the current RPS requirements.

Illinois: The past quarter saw IL RPS RECs increase in value over Green-e, with the premium for current vintage increasing to a \$0.25 spread.

Voluntary RECs

With the end of Green-e 2013 true up approaching at the end of May, BH12 and FH13 REC trades are approaching expiration. While a few trades will probably happen, if they follow historical patterns, they will most likely have a significant discount applied.

Midwest Long Term Power

Not much news for the MISO-based forward power markets. Daily forward curves continue to fluctuate with a slight trend toward flattening and even showing some backwardation. Site specific resources have been able to buck this trend, providing some positive news. Given the amount of announced coal retirements, a number of utilities have expressed interest in contracts for 2018 and forward.

Product	Bid	Ask	Trade
Michigan RPS RECs			
2012	0.45	0.90	-
2013	0.50	0.90	-
2014	-	1.25	1.00
Minnesota RPS RECs			
2013	0.20	0.30	-
Ohio In State RPS RECs			
2013	15.00	115.50.00	15.00
2014	15.00	116.00	-
Ohio Adjacent State RPS RECs			
2013	9.50	12.00	-
2014	9.75	12.00	-
Illinois IPA approved wind RECs			
RY12	-	1.25	-
RY13	1.10	1.25	1.15
RY14	1.20	1.30	1.20
Wisconsin RPS RECs			
2012	-	-	-
National Green-e RECs			
BH 13	1.05	1.10	1.05
FH 14	1.05	1.10	1.05
BH 14	1.05	1.15	1.10
CAL 15	1.10	1.20	-

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