



## Midwest REC Market Notes: Q3 2015

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**Illinois:** Like Chevy Chase on his [sled](#) in the movie "A Christmas Vacation", prices seem to have shot down the hill at silicon based kitchen lubricant speed and liquidity is hiding in the Christmas tree. Non wind offers abound and buyers don't have any trouble finding willing sellers. The long-term forecast for this market indicates that we will be here for a while unless legislative issues forces a change. Wind prices trade at a slight premium to Green-e.

**Michigan:** The third quarter sees pricing and liquidity remain where they have been for the last couple of years. Michigan hits the 10% RPS goal this year and all obliged entities have met or exceeded the RPS requirements. Most interesting is the number of bills that have been introduced but are still in committee. The date for some resolution on existing PURPA contracts has moved to April 8, 2016 and that date is when the Technical Advisory Committee is to present its findings, not a date where the resolution will be implemented. [MI PSC Case U-17973](#)

**Minnesota:** MN Compliance RECs have matched IL ARES non wind pricing since most facilities remain qualified for both markets. This quarter we have not seen any MN RPS trades, but this is not unusual as most MN obliged parties have secured their supply and are generally sellers to the IL ARES market.

**Missouri:** No news for Missouri as REC pricing remains on par with the national Green-e market.

**Ohio:** The Ohio REC market is still the most interesting market in the US as regulatory changes and the delay on the AMP Ohio hydro projects keeps the forward supply and demand curves moving. On the one side, the committee tasked with reviewing the RPS freeze has recommended that it remain in place. On the other side, the Governor has publicly stated that he would not sign any legislation that would keep the freeze. Assuming the AMP hydros come online as stated and the freeze expires, we will see this market go short sometime in 2018; earlier if COD for AMP Hydro is moved back. If the freeze stays in place, then we see the opposite.

**Wisconsin:** No change for the Wisconsin market. Generators that have available RECs have been moving them to the IL RPS markets. The State of Wisconsin reports that utilities have two years of surplus RECs for compliance purposes.

### Voluntary RECs

Green-e REC pricing continues its slow descent this quarter with trades occurring in the high 30's. While maybe a tad dramatic, the underlying point of last quarters notes on this topic remains valid; prices have no positive price pressure but plenty negative price pressure.

### Midwest Long Term Power

Forward power curves seem to be stabilizing and the Clean Power Plan, along with an increased interest from C&I clients has stimulated interest in long-term, non-fossil fuel based generation sources. Long term wind prices remain in the low 20's, but other sources of generation are faring much better, namely hydro.

Product	Bid	Ask	Trade
<b>Michigan RPS RECs</b>			
2013	-	-	-
2014	0.65	0.90	0.90
2015	0.80	1.15	1.10
2016	0.90	1.25	-
<b>Minnesota RPS RECs</b>			
2015	-	0.40	-
<b>Ohio RPS RECs</b>			
2014	0.00	0.90	0.80
2015	0.60	1.00	-
<b>Illinois ARES wind RECs</b>			
RY14	-	0.40	-
RY15	0.40	0.50	-
RY16	0.45	0.60	-
<b>Illinois ARES Non Wind RECs</b>			
RY14	-	0.30	-
RY15	-	0.40	-
RY16	-	0.50	-
<b>National Green-e RECs</b>			
BH 14	0.35	0.40	0.38
FH 15	0.35	0.40	0.38
BH 15	0.35	0.45	0.40
CAL 16	0.45	0.50	-

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