



## Midwest REC Market Notes: Q4 2015

Midwest Desk

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**Illinois:** Liquidity is the challenge for IL ARES Non Wind REC sellers these days as buyers have no trouble locating supply. Hydro and biomass provide plenty of RECs which keep the pricing well below \$0.50. IL ARES wind RECs still trade close to Green-e pricing. As I mentioned in last quarter's issue, the long-term forecast for this market indicates that we will be here for a while unless legislative issues force a change.

**Michigan:** The energy overhaul bill package that has been working its way through the state house and senate did not make it to the Governor's desk this past year. Not really a surprise, but this means that clarity on a number of items will be pushed back to Q1 of 2016 at the earliest and most likely it will be sometime closer to this summer. Pricing has remained relatively consistent, with trades occurring around \$1.00 for current vintages.

**Minnesota:** No change as MN Compliance RECs remain matched to IL ARES non wind pricing since most facilities remain qualified for both markets.

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

**Ohio:** Just when you thought you understood the Ohio REC market, something new and exciting comes along and changes its trajectory. Last month we provided a rationale to see the market pick up and we seem to have been correct. Pricing has improved for current vintages, but the 2018 pricing is what would indicate our assessment about a short market in that year has merit. Indicated bid interest is at \$3.00 or more. While this is a far cry from where we have historically seen pricing, it is higher than current. Even with the new Amazon wind farm we still are projected a shortage around 2018.

**Wisconsin:** No change for the Wisconsin market. Generators that have available RECs have been moving them to the IL RPS markets.

### Voluntary RECs

No new information has come to light to alter the path of the Green-e REC market, with trades occurring at, and under, \$0.35. We expect this trend to continue as the market looks to find a bottom.

### Midwest Long Term Power

Long term power seems to have regained some interest this past quarter with a number of clients expressing interest in looking at MISO based projects. As mentioned in the last quarter, we believe that the Clean Power Plan coupled with attractive wind rates and stable long term prices for other non fossil fuel generation has provided enough motivation for the buy side to examine the options available in the market place.

Product	Bid	Ask	Trade
<b>Michigan RPS RECs</b>			
2013	-	-	-
2014	0.45	0.80	-
2015	0.60	1.00	-
2016	0.75	1.15	-
<b>Minnesota RPS RECs</b>			
2015	-	0.40	-
<b>Ohio RPS RECs</b>			
2015	1.60	2.50	1.50
2016	1.75	3.00	-
<b>Illinois ARES wind RECs</b>			
RY14	-	0.35	-
RY15	0.30	0.40	-
RY16	0.40	0.50	-
<b>Illinois ARES Non Wind RECs</b>			
RY14	-	0.25	-
RY15	-	0.35	-
RY16	-	0.45	-
<b>National Green-e RECs</b>			
BH 14	0.30	0.35	0.34
FH 15	0.0	0.35	0.35
BH 15	0.35	0.38	0.38
CAL 16	0.38	0.45	-

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