



## Midwest REC Market Notes: Q1 – Q2 2019

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**Illinois:** Not much change in the IL market as many of the previous out of state resources are no longer eligible for the market. In State resources still carry a premium to the national Green-e market.

**Michigan:** The REC market in Michigan remains stable around a dollar for current vintages. There have been some trades for 2016 expiring RECs, but most interested parties are looking further down the curve to current and out years. Pricing for future years remains above \$1.00, with liquidity in the market. We are seeing some Ohio eligible generators moving to the Ohio market to take advantage of the higher pricing. The Consumers PURPA case has finally been settled, but we anticipate future changes as a key component will be re-addressed in the IRP.

**Minnesota:** No change for Minnesota this as MN RECs are mostly tracking Green-E eligible REC prices. Non-Green-E generators have few options other than MN RPS buyers. We see this price trading at a discount to Green-e pricing.

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

**Ohio:** House Bill 6, with amendments, was signed into law last month enacting significant changes to the Ohio RPS. Most notably, the requirement for renewables by 2025 dropped from 12.5% to 8.5% and eliminates the requirement by 2026. The legislation also exempts some industrial load and provides funding for several large solar developments. The market for Ohio RECs has softened since the bill's passage. However, this is Ohio so there is always potential for change to the RPS. There is an effort underway to gather enough issues to challenge the bill on the 2020 ballot.

**Wisconsin:** No change for the Wisconsin market. Generators that have eligible Green-e RECs have been moving them to the Green-E voluntary market.

### Voluntary RECs

Voluntary REC prices have been trending up the last several months with recent pricing in the low 70 cent range. A few large RFPs that concluded earlier in the first half of this year contributed to the increased demand.

### Midwest Long Term Power

Pricing has continued to slightly ease with long-term solar pricing pulling down the renewable sector. We reported in an early publication on reported offers for solar power in the high to low 30's. This remains the case today. Pricing for power in general is flat for the published curves.

| Pricing as of 08/07/19         |      |      |       |
|--------------------------------|------|------|-------|
| Product                        | Bid  | Ask  | Trade |
| <b>Michigan RPS RECs</b>       |      |      |       |
| 2016                           | 0.25 | 0.50 | 0.25  |
| 2017                           | 0.35 | 0.75 | 0.55  |
| 2018                           | 1.00 | 1.25 | 0.80  |
| 2019                           | 1.00 | 1.50 | 1.20  |
| <b>Ohio RPS RECs</b>           |      |      |       |
| 2017                           | 4.50 | -    | -     |
| 2018                           | 4.75 | 5.25 | 5.00  |
| 2019                           | 5.00 | 5.40 | 5.30  |
| <b>Illinois ARES wind RECs</b> |      |      |       |
| RY17                           | -    | -    | -     |
| RY18                           | 0.85 | 0.90 | 0.88  |
| RY19                           | 0.85 | 0.95 | -     |
| <b>National Green-e RECs</b>   |      |      |       |
| BH 18                          | 0.65 | 0.70 | 0.67  |
| FH 19                          | 0.67 | 0.72 | 0.71  |
| BH 19                          | 0.68 | 0.75 | 0.72  |
| CAL 20                         | 0.69 | 0.75 | -     |

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