



## Midwest REC Market Notes: Q2 2018

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**Illinois:** The IL market for instate RECs is trading at a slight premium to the national Green-e market. The new legislation has terminated the eligibility of many out of state resources, leaving them with few options.

**Michigan:** The group [Clean Energy, Healthy Michigan](#) was successful in gaining enough signatures for a ballot initiative to increase the state's RPS, but agreed to [drop](#) the initiative in exchange for a voluntary commitment from the two largest utilities to voluntarily increase their renewable energy commitment. Michigan REC prices have not moved much in either direction and our models still forecast a long REC market for the foreseeable future.

**Minnesota:** No change for Minnesota this quarter as MN RECs are mostly tracking Green-E eligible REC prices. Non-Green-E generators are now left with few options other than MN RPS buyers as the IL ARES market is no longer a viable option.

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

**Ohio:** Always in motion the Ohio RPS seems to be. In May the Ohio Senate introduced their substitute to HB 114 to reduce the RPS to 8.5% by 2022. Article [here](#). While it is not the first-time legislation has been introduced to repeal or reduce the RPS, it is notable that the house and senate seem to have coalesced around a reduction. The governor has previously stated his opposition to any changes to the RPS, but there is always a chance for change. REC prices have increased along with other PJM markets, with trades in July of \$6.05.

**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 stabilized this last quarter, reaching a high of just over \$0.90 before retreating back to the \$0.80 range.

### Midwest Long Term Power

Early in July we heard a reported offer for long term solar power in the high \$20s. Wind has not improved, and other renewable resources struggle to compete. The pledge by DTE and Consumers to increase their use of renewables would indicate that additional wind resources will be added to Michigan and the Midwest.

Pricing as of 05/01/18			
Product	Bid	Ask	Trade
<b>Michigan RPS RECs</b>			
2016	0.40	0.75	-
2017	0.45	0.80	0.55
2018	0.50	0.85	0.60
<b>Ohio RPS RECs</b>			
2017	4.00	5.00	-
2018	5.50	6.15	6.00
2019	6.15	7.00	6.50
<b>Illinois ARES wind RECs</b>			
RY17	-	-	-
RY18	0.85	0.90	0.88
RY19	0.85	0.95	-
<b>Illinois ARES Non-Wind RECs</b>			
RY17	-	0.20	-
RY18	-	0.30	-
RY19	0.20	0.357	-
<b>National Green-e RECs</b>			
BH 17	0.70	0.80	-
FH 18	0.75	0.82	0.78
BH 18	0.80	0.90	0.82
CAL 19	0.85	0.95	-

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