



Midwest REC Market Notes: Q1 2022

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Illinois: No change for IL. RECs generated in this state follow pricing for the power pool in which they are generated.

Michigan: The MIPSC annual RPS report has been [released](#) and as always, a thrilling read. The 2016 update to PA 295 included a goal (not requirement) of meeting the state's electric needs through a combination of Energy Waste Reduction (EWRs) and renewable energy by 2025. These EWR credits have begun to trade and the last couple of years have made quite an impact towards the goal. Overall, our forecasted supply and demand curves still show the REC market going short around the 2025 / 2026 period. How the goal and EWRs change this will require a bit more study. We can say that the Indiana Michigan [plan](#) for 800MW of new wind and 500MW of new will have a negative impact past 2025.

Minnesota: Changes for Minnesota RPS RECs are following along with the national price trends for Non-Green-e REC supply. We saw some improvement over the course of 2021, in both price and liquidity, but the first quarter of this year has seen pricing pull back a touch.

Ohio: Still no resolution from PUCO on the current fight involving non-adjacent state generators. We expected / hoped this would be decided by now given the true up calendar for the RPS, but so far, no indication of when a decision will be made. The involved parties have continued to file comments on the case, and while entertaining to read, the filings contain no new information. Prices continue to deteriorate; the start of this year saw current and forward pricing drop off quickly, but things seemed to have slowed down a bit. Liquidity has been a challenge in the last several weeks.

Voluntary RECs: Green-e eligible

This past quarter the pricing in the Green-e market took a dip, with trades happening at and below \$2.00. The last month the market has recovered with transactions back above \$3.00. Rumor was that a few large generators decided to sell their REC inventory at the same time, flooding the market with offers. TX GE is trading at an increased premium and again this past quarter has demonstrated better liquidity. In years past we were puzzled at the price premium for TX vs. GE, and we remain so with this current trend given the ample supply. Green-e audits for RY21 are due in early June and we expect to see retailers wrapping up their RY2021 GE purchases in the next month. Anyone holding Bh20 – FH21 GE RECs is advised to move them as soon as possible.

Voluntary RECs: Non-Green-e eligible

These RECs are still trading at a discount to Green-e. US Sited Hydro is the most requested, followed by North American Hydro (includes the U.S. and Canada), then any Non Green-e REC.

Pricing as of ~04/01/22			
Product	Bid	Ask	Trade
Michigan RPS RECs			
2019	2.25	2.75	2.50
2020	2.60	2.75	
2021	2.65	3.00	2.65
2022	2.85	3.25	
Ohio RPS RECs			
2020	5.00	6.00	-
2021	5.00	6.50	6.00
2022	5.00	7.00	-
Midwest Non-Green-e RECs			
2020	0.75	1.75	
2021	1.00	2.00	1.50
2022	1.25	2.50	
National Green-e RECs			
BH20 / FH21	2.25	3.15	2.75
BH21 / FH22	3.15	3.75	3.50
BH22	3.50	4.25	

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