

REC MARKETS

REC and SREC prices mixed in quiet trading week

Renewable energy certificates and solar carve-outs nearby prices were mixed in the trading week ended February 22, with longer-dated contracts closed mostly lower in the period

In the REC market, PJM Class I accounted for most of the trading volume on ICE, totaling 700 contracts across vintage 2018-2021.

PJM Class I July vintage 2018-2020 traded as a package, printing at \$8.72/REC and at \$8.73/REC, each for 50 contracts per year. This is down from the previous week, when the package traded at \$8.85/REC, legging in to a time spread with the 2020 contract.

The unpackaged July strips also traded lower week on week. July 2018 traded outright at \$8.15/REC for a total of 150 contracts, down from a high of \$8.38/REC in the prior week.

July 2019 traded at \$8.75/REC for 100 contracts, down from \$9/REC. July 2020 traded at \$9.15/REC for 100 contracts, down from a high of \$9.48/REC in the previous week, the other half of the time spread with the July 2018 contract.

Further out on the curve, July 2021 traded at \$9.75/REC for 50 contracts.

No deals were seen at the front of the curve, Pennsylvania, New Jersey and Maryland REC prices were little changed, ranging from \$7-\$7.75/REC in the trading week.

The New Jersey SREC forward curve, in comparison, remained in backwardation with longer-dated contracts trading at discounts to nearby contracts.

Energy Year 2017 July 2017 traded for 200 contracts in the trading week, printing at \$217 and \$218/SREC on ICE. The contract traded as low as \$220/SREC in the previous week.

EY 2018 July 2018 traded in a range of \$187-\$195/SREC in the trading week, compared to a low of \$194/SREC in the previous week.

EY 2019 July 2019 traded in a range of \$153.5-\$157/SREC, up from the previous week when the contract traded as high as \$155/SREC on ICE.

The EY 2018-2020 July package traded at \$158/SREC, compared to a range of \$155-\$160/SREC in the previous week.

Separately, New York State Governor Andrew Cuomo announced last Tuesday that state-supported solar power in New York increased nearly 800% from December 2011 to December 2016, leveraging nearly \$1.5 billion in private investment.

RENEWABLE ENERGY CERTIFICATE MARKETS FEB 23 (\$/MWh)

	Low	High	Mid
Class I/Tier I RECs*			
Connecticut	16.25	18.25	17.250
Maryland	6.00	8.00	7.000
Massachusetts	16.75	17.75	17.250
New Jersey	7.25	8.25	7.750
Ohio	0.50	1.00	0.750
Pennsylvania	6.50	8.50	7.500
Texas	0.23	0.31	0.270
Solar RECs*			
Maryland	15.50	20.50	18.000
Massachusetts	327.00	333.00	330.000
New Jersey	211.75	219.75	215.750
Ohio	4.75	8.25	6.500
Pennsylvania	6.50	8.50	7.500
California RPS*			
California Bundled REC (Bucket 1)	13.50	16.50	15.000
California Bundled REC (Bucket 2)	4.75	6.75	5.750
California Tradable REC (Bucket 3)	1.17	1.39	1.280
Voluntary RECs*			
National voluntary, any technology	0.27	0.31	0.290
National voluntary, wind	0.30	0.34	0.320

*Prices are for the value of the environment attribute of the renewable energy certificate only and do not include energy. Bundled transactions are normalized by subtracting the market price of electricity.

Installed solar projects totaled 64,926 by the end of 2016, compared to 9,079 through the end of 2011, according to a statement from the Governor's press office, released on Tuesday.

These state-supported projects totaled nearly 744 MW of solar power installed, the statement said, adding that solar growth is critical to the Governor's Clean Energy Standard that 50 percent of New York's electricity come from renewable sources by 2030.

Under the state's CES, utilities will be required to obtain a number of renewable energy certificates annually, with no carve-outs.

According to DSIRE, operated by the North Carolina Clean Energy Technology Center, the CES is divided into three tiers, Tier 1, Tier 2 and Tier 3.

Tier 1 and Tier 2 constitute the Renewable Energy Standard component of CES, which totals to 50% renewable energy goal by 2030.

All eligible renewable energy resources that came into operation after January 1, 2015 are classified as Tier 1 resources.

Tier 1 is designed to promote eligible new renewable energy generation resources, specifically those in operation after January 1, 2015.

— *Chana Noh*