

REC Markets – February 2010

Monthly Market Update



NEPOOL

Massachusetts, Maine, New Hampshire, and Rhode Island announced alternative compliance payments for 2010. The Connecticut alternative compliance payments are fixed: \$55/MWh for Class 1 and 2, and \$31.00/MWh for Class 3.

Year	MA Class 1	MA Class 2 WTE	MA Class 2	MA APS	RI	NH Class 1	NH Class 2	NH Class 3	NH Class 4	ME
2009	\$60.92	\$10.00	\$25.00	\$20.00	\$60.92	\$60.92	\$159.98	\$29.87	\$29.87	\$60.93
2010	\$60.93	\$10.00	\$25.00	\$20.00	\$60.93	\$60.93	\$160.01	\$29.87	\$29.87	\$60.93

Massachusetts

NSTAR released a request for proposals for renewable energy credits eligible towards the renewable energy standard, including 65,000 vintage 2009 and 150,000 Vintage 2010 Class 1 RECs. The deadline to bid was February 19, 2010. Vintage 2009 Massachusetts Class 1 RECs are currently assessed between \$23.50 and \$25.50.

Update: Federal Renewable Portfolio Standard

Senator Lindsay Graham's office (R-SC) circulated a draft bill provision which would create a broader clean energy standard over the next 15 years. In addition to renewable energy sources passed under House climate legislation (H.R.2454), the Graham provision would notably include technologies such as new nuclear power sources, and the closure of high carbon-emitting fossil plants retired by 2014. The target breakdown of the proposed bill provision is the following: 13 percent by 2012, 20 percent by 2020, and 25 percent by 2025, and renewable energy and energy efficiency credit trading would be permitted. It is yet uncertain whether this provision will be included in the comprehensive Senate climate legislation.

VOLUNTARY MARKET

National Voluntary Market

National Voluntary market trading has kept prices flat month over month. Reporting Year 2009 is trading between \$0.75 and \$1.25 per REC, and the RY2010 is trading between \$1.00 and \$1.20.

WECC Voluntary Market

Reporting Year 2009 remains unchanged, end of year pricing will fall anywhere between \$1.00 and \$5.00 per REC. Reporting Year 2010 has traded higher and seen pricing anywhere between \$6.00 and \$9.00 per REC.

CALIFORNIA

While the CPUC did pass its long awaited TREC decision, it remains to be seen what the effect on pricing will be.

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