

# REC Markets – January 2010

## Monthly Market Update



### New England

#### Massachusetts

The Massachusetts Department of Energy Resources (DOER) issued the final solar carve-out regulations pursuant to the Green Communities Act. The carve-out begins this year with a 30 MW installed capacity requirement, with a 2 MW project cap. The final rules are expected to be promulgated in May 2010.

The Massachusetts DOER also released the long-term renewable resource solicitation, which requires Massachusetts electric distribution companies (EDCs) to enter into 10- to 15-year contracts with in-state renewable energy projects. EDCs must solicit long-term contracts for renewable power at least twice by July 1, 2014, for a total of 3 percent of each company's distribution sales.

The Massachusetts Class 1 Q3 supply was 600,803, according to the Q3 statistics released by NEPOOL GIS on January 15th. Vintage 2009 Massachusetts Class 1 is currently trading between \$26.50 and \$27.50.

#### Connecticut

The Connecticut Class 1 Q3 supply was 948,319 according to the Q3 statistics released by NEPOOL GIS on January 15th. Vintage 2009 Connecticut Class 1 is currently trading between \$21.00 and \$24.00.

### PJM

#### New Jersey

New Jersey Assembly Bill 3520 passed the legislature and was signed into law. Among other provisions, the bill increases the annual solar carve-out target and extends the program by 15 years. Reporting Year 2010 New Jersey Solar RECs are currently trading between \$665.00 and \$680.00.

#### Texas

The vintage 2009 market traded actively this month as compliance buyers anticipated their 2009 compliance obligation. First-half 2009 Texas Wind is trading around \$1.00/REC with the back half of the year priced around \$1.10.

### VOLUNTARY MARKET

#### National Voluntary Market

National voluntary market pricing remained flat in RY'09 vintages with trading continuing in the \$0.80 to \$0.90 range. Trading in the 2010 reporting year vintages took prices lower with most trading occurring in the \$0.90 to \$1.20 range. As RY'09 approaches its March 2010 close, year over year volumes are flat to slightly up and longer dated contracts appear more likely.

#### WECC Voluntary Market

The western voluntary market for RY'09 vintages all but ceased to trade and appear to be done for the year. Reporting year 2010 vintages traded between \$5.50 at \$7.50 as sellers look towards the California Public Utilities Commission TREC decision for clarity on further potential trading opportunities.

#### CALIFORNIA

Participants were in large part focused on the CPUC TREC decision, which was scheduled for a February 4th vote. The decision was held and the next scheduled for consideration February 25th, 2010.

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