



New England Massachusetts

With just two weeks until the end of the NEPOOL-GIS fourth quarter transfer period on June 15th, the New England REC market has been actively trading for final obligation requirements. Vintage 2008 Massachusetts "New" RECs rallied late in the month ending up \$24.00@ \$30.00 at month's end. Pricing traded between \$18.50 and \$21.50 throughout the month.

Connecticut

CT Class 1 2008 RECs were equally active, with significant volumes trading between \$18.00 and \$21.00. The market closed at month's end at \$20.00/REC.

PJM/Midwest Illinois

The Illinois Commerce Commission approved the ComEd and Ameren RFP's for Renewable Energy Credits on May 13th and May 20th, respectively. The average weighted winning prices and volumes for various eligible products are summarized below. 75% of the supply was fulfilled with in-state wind RECs, with the balance coming of in-state non-wind sources.

RFP	Total REC's	Avg. Illinois Wind (\$/REC)	Avg. Illinois Non-Wind (\$/REC)	Adjacent State Wind (\$/REC)	▼ Adjacent State Non-Wind (\$/REC)	▼ Other State Wind (\$/REC)	▼ Other State Non-Wind (\$/REC)
2009 ComEd	1,564,360	21.13	13.69	N/A	N/A	N/A	N/A
2009 Ameren	720,000	16.66	13.46	N/A	N/A	N/A	N/A

New Jersey

Compliance buyers have begun the process of truing-up their obligations for RY 2009 (June 1, 2008-May 31, 2009). The RY 2009 New Jersey Class 1 REC market is trading between \$5.00-\$6.50/REC.

Pennsylvania

PECO, a unit of Exelon Corp. has signed five-year agreements for the purchase of 412,000 Pennsylvania Tier I renewable energy credits annually. The winning bidders were Iberdrola Renewables, Inc. and Exelon Generation Company, LLC, and the average weighted price was \$20.42/REC. This clearing price is considerably higher than the over-the-counter market price, as the RY2009 market is trading between \$2.00-\$4.00 and RY2010 is trading between \$4.00-\$8.00.

Indiana

The Indiana legislature was unable to pass an RPS for the current session. REC trading remains limited within the region.

Texas

The vintage 2009 market remained quiet this month. The oversupply of Texas wind combined with the economic slowdown has lead to significantly decreased TX REC pricing. First half 2009 TX Wind is trading around \$1.00/REC with the back half 2009 of the year priced around \$1.50.

Texas Senate Bill 541 passed the Texas Senate and awaits passage by the House. Among other energy provisions, SB541 would restructure the RPS by renaming the existing requirement as Tier I, and creating a separate Tier II requirement for non-wind resources.

Federal RES Update

On May 21, the House Energy and Commerce Committee passed the Waxman-Markey climate and energy bill by a vote of 33-25. Along with significant climate provisions, the bill will mandate 20% of all electricity sold in the United States to come from renewable sources, with up to 5% coming from energy efficiency measures. Should states have difficulty meeting these requirements, they can petition to have 8% come from energy efficiency.

California

The much awaited amendments to the California RPS appear less likely to occur during the 2009 legislative session. While activity in the western green power compliance markets remains steady, the west voluntary market continues to trade lightly between \$4.25 and \$7.50 for 2009 Green-e RECs.

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