

The Value of RECs in the Carbon Market; an Historical Perspective

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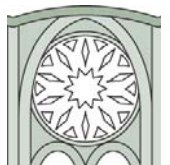
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National Renewable Energy Marketing Conference

Denver, Colorado

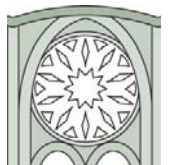
[A guided tour]

- The early debate “what is a REC?”
- How the carbon value of a REC came from this conversation
- What were the issues and how did they get resolved
- What is happening now
- One broker’s perspective



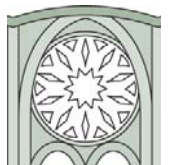
[A History of the Debate]

- **What is a REC?** (two schools of thought)
 - A basket of environmental goods
 - Proof that a MWh of green power was made



How should the carbon value of a REC be quantified?

- Are you really backing off brown power?
- What's the carbon profile of the region in which renewable power is being generated?
- When is your facility running?
- Does the green generator even own the carbon value?



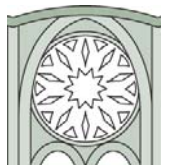
Two ways to sell RECs for carbon value

RECs as MWhs

- Reduces carbon by 'greening' power consumption
- Priced per MWh
- Traded in the REC market

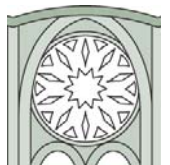
RECs as tons

- Reduces carbon by offsetting emission
- Priced per ton
- Traded in the carbon market



[Are RECs trading as carbon?]

- Chicago Climate Exchange (CCX)
- Native Energy
- Green-e Climate
- EPA Climate Leaders
- RGGI





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