

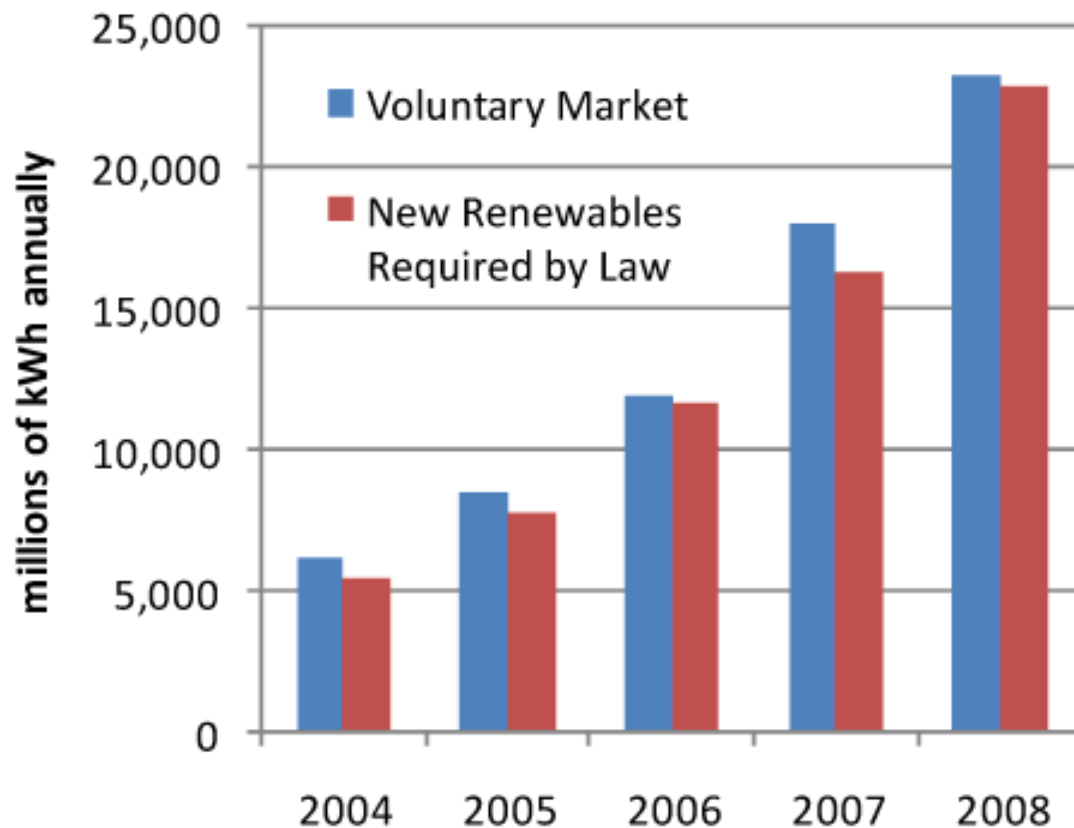
# The Voluntary Market's Role in New Renewables Development

REM 2009  
September 16, 2009

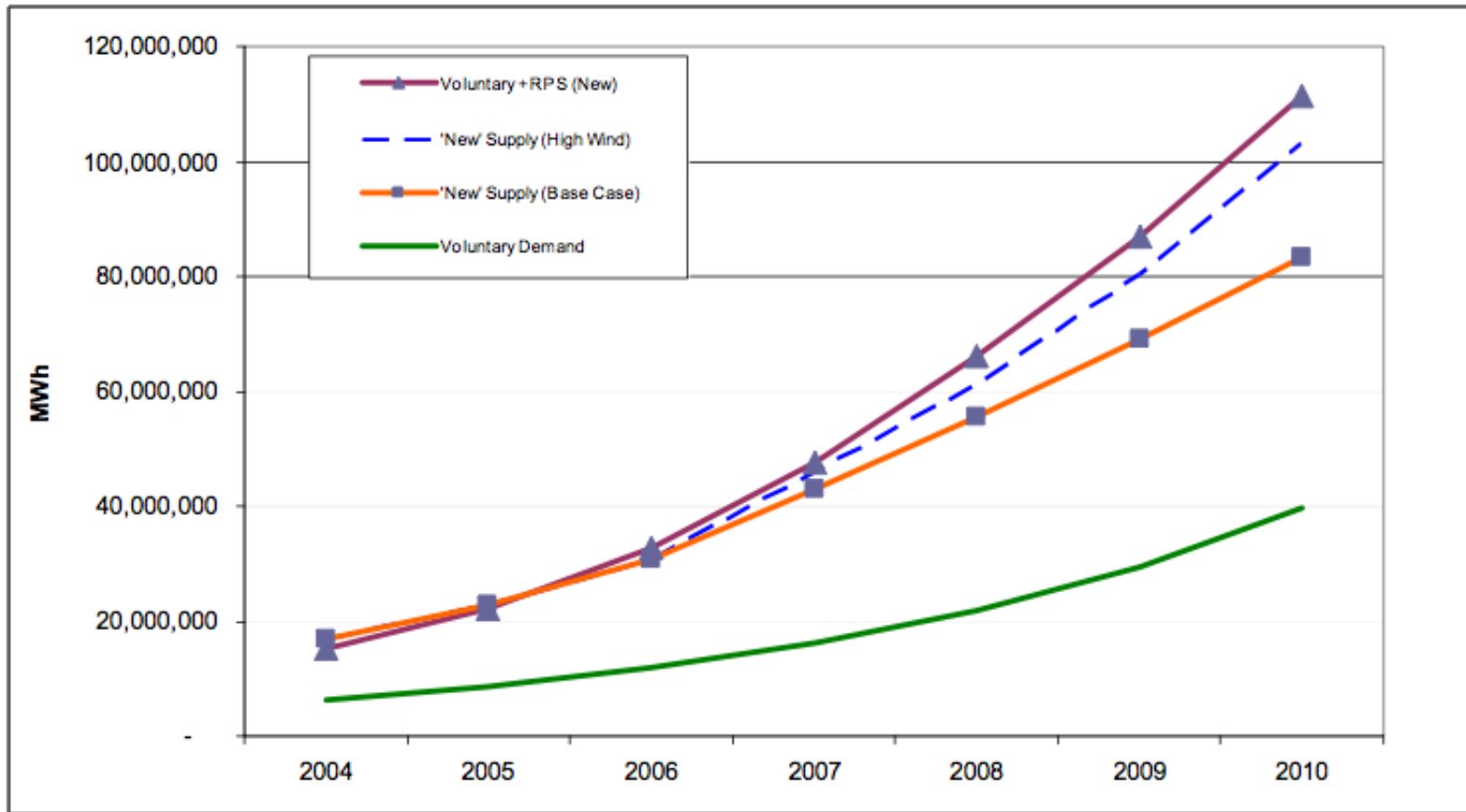
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# New RE in Voluntary Market

Use of RE from “new” facilities has been greater in voluntary markets than compliance



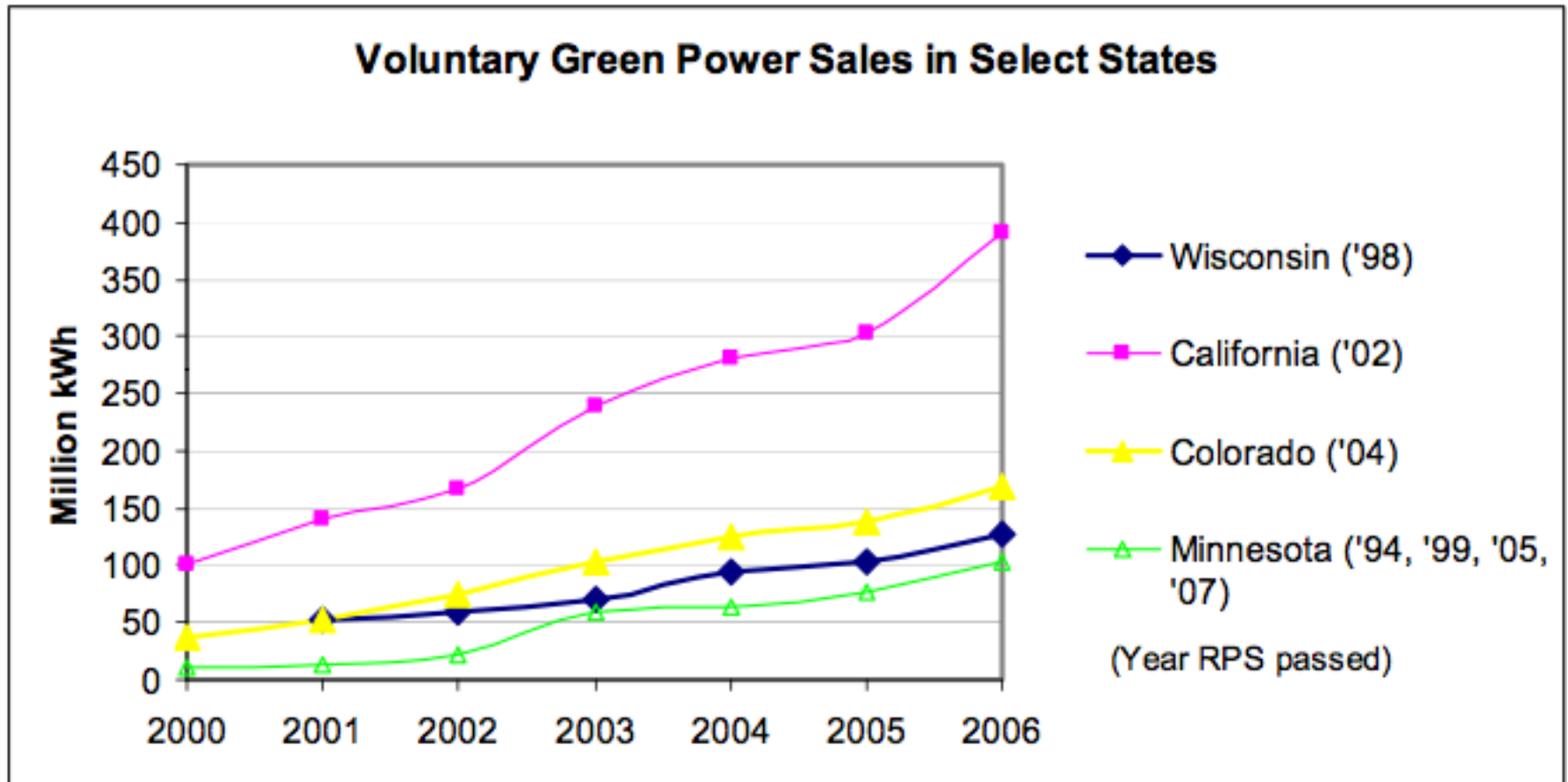
# Need for New Renewables Development



# Voluntary vs. Compliance

Voluntary : Push :: Compliance : Pull

# Compliance and Voluntary Interaction



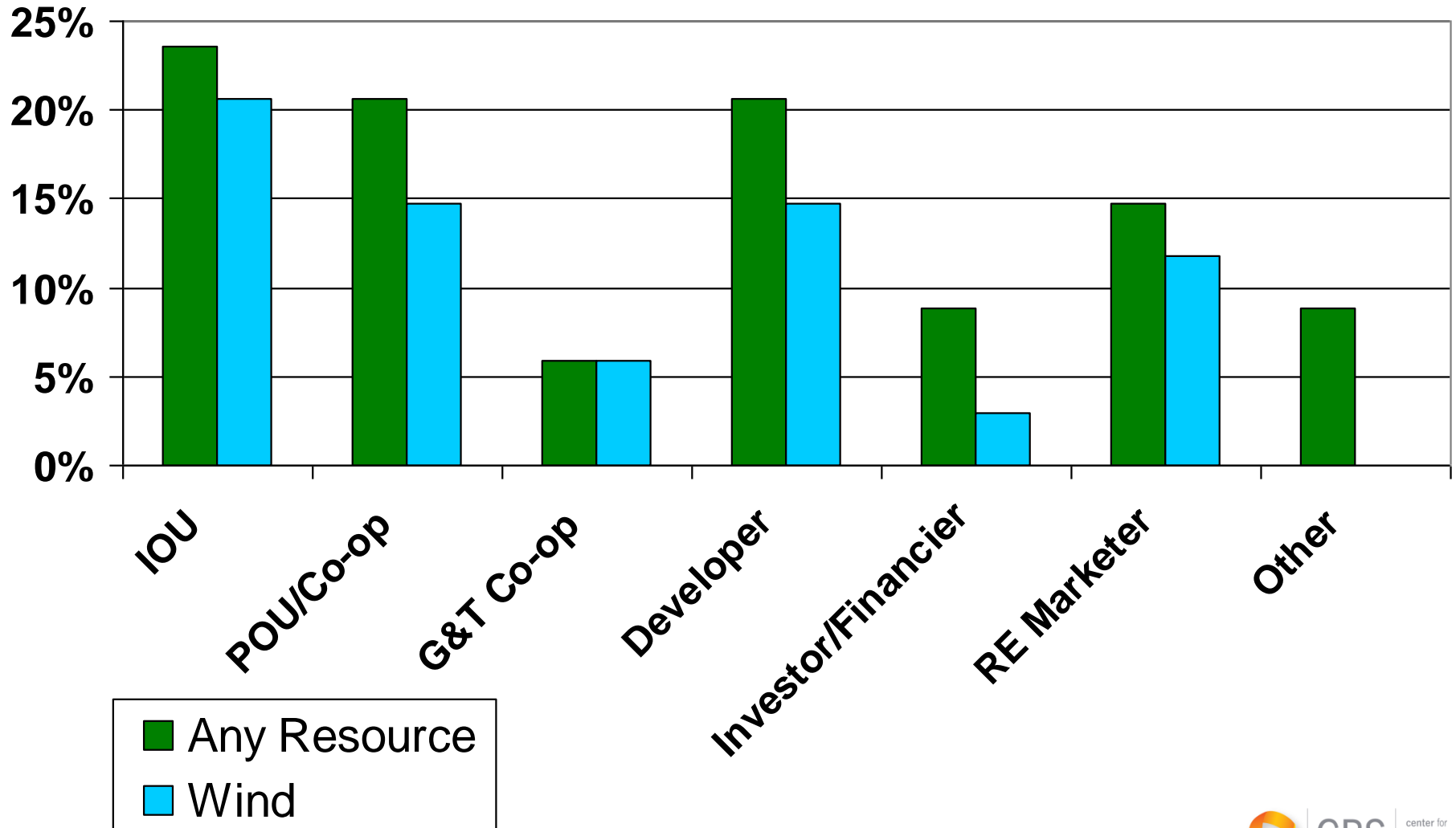
# Survey Description

- Goal is to assess the role of the voluntary market in investment decisions
- Sent to over 200 current participants in the voluntary market
- Marketers, utilities, investors, developers, generators responded

# Investment Definition

"Invested" refers to contributing money or other resources, prior to the completion of a new facility, in exchange for a stake in the future performance of that facility (whether by retaining or acquiring an ownership/equity interest in the facility, issuing credit to the facility's owner, or entering into a long-term power or renewable energy certificate purchase agreement covering some or all of the facility's output)

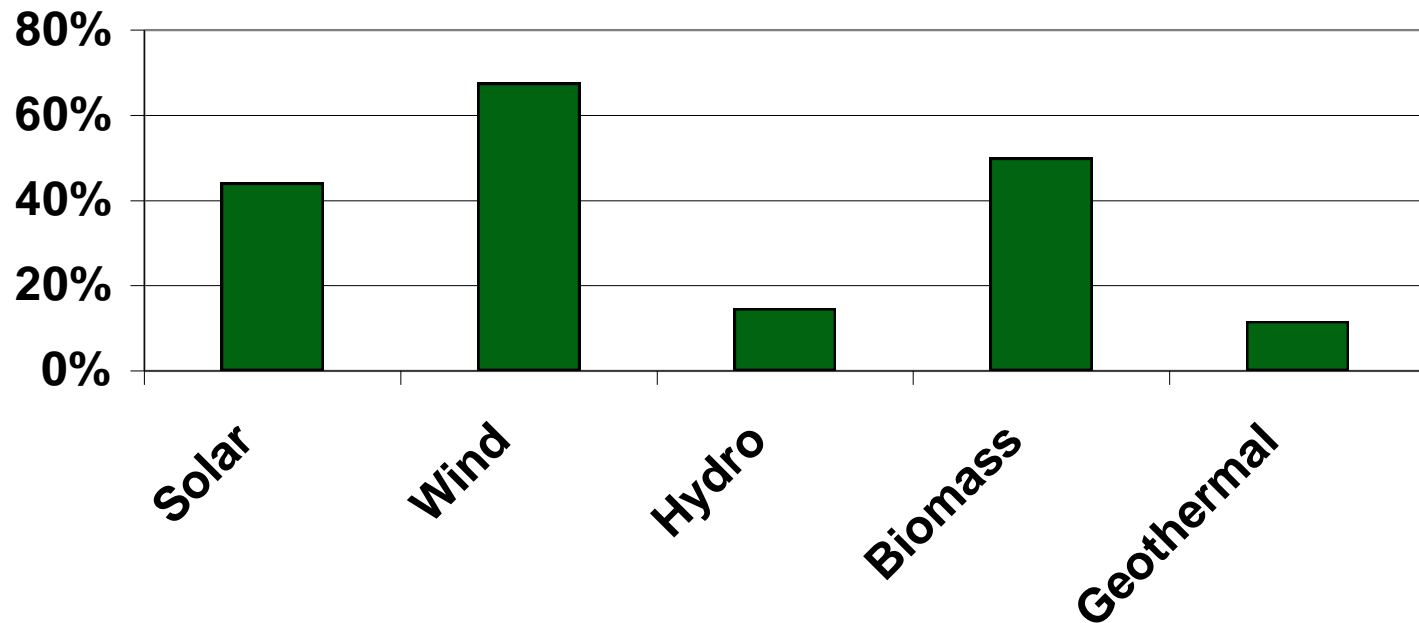
# Respondents





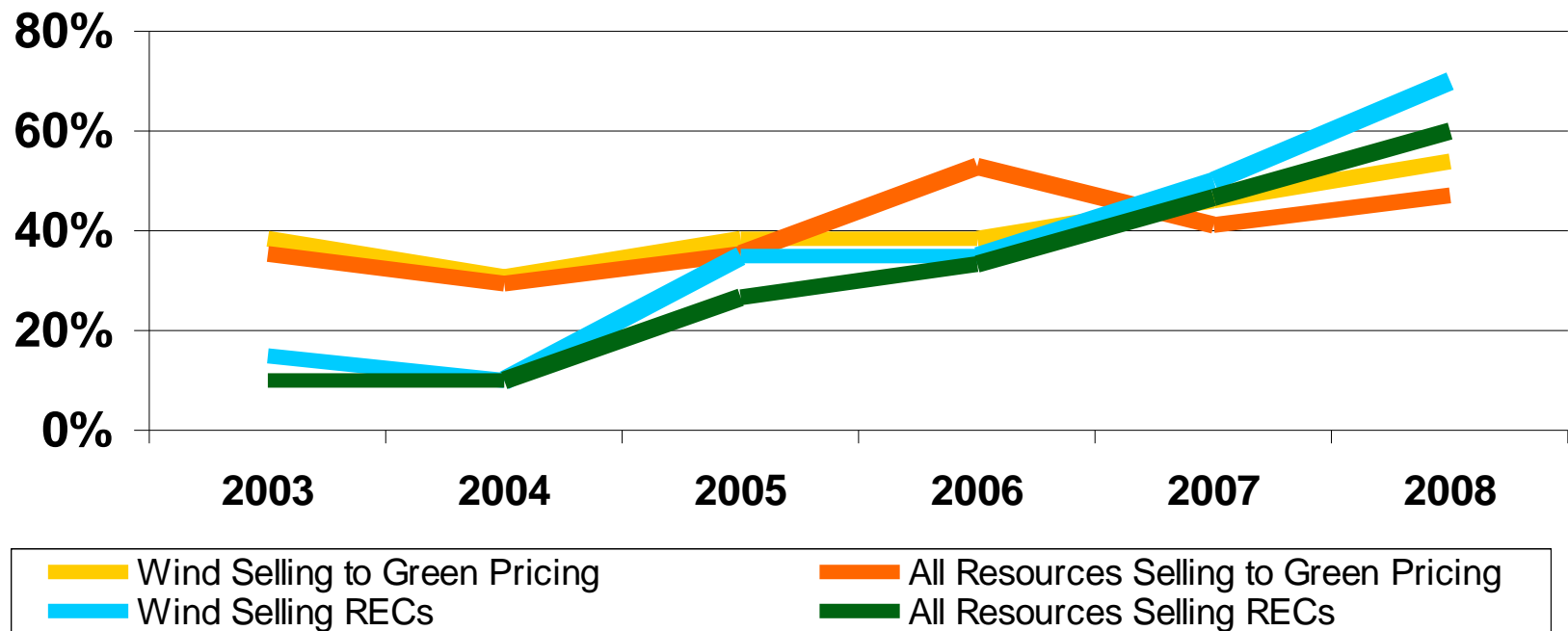
# Resource Types

Percent of respondents investing in renewable resource types



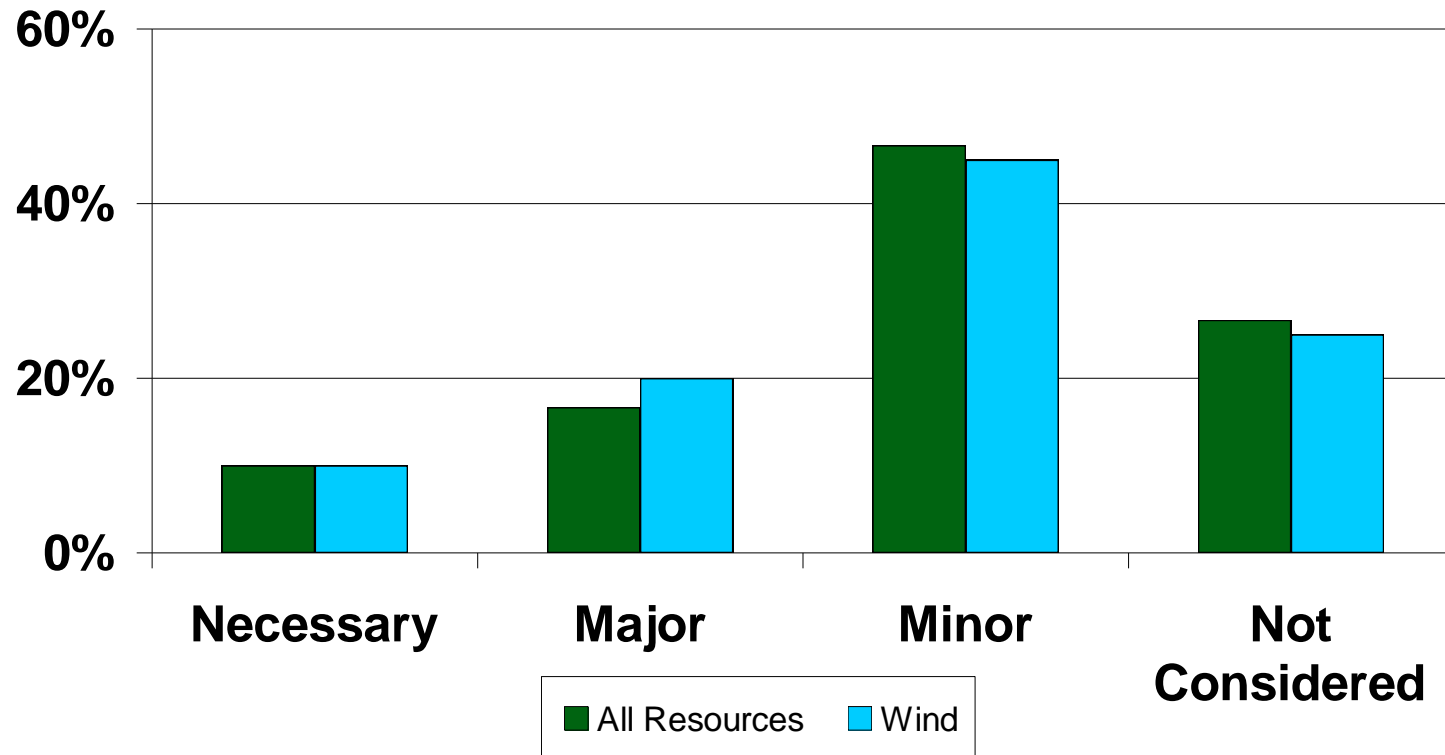
# Voluntary Market Consideration

Percent of respondents that considered the voluntary market in an investment decision by year



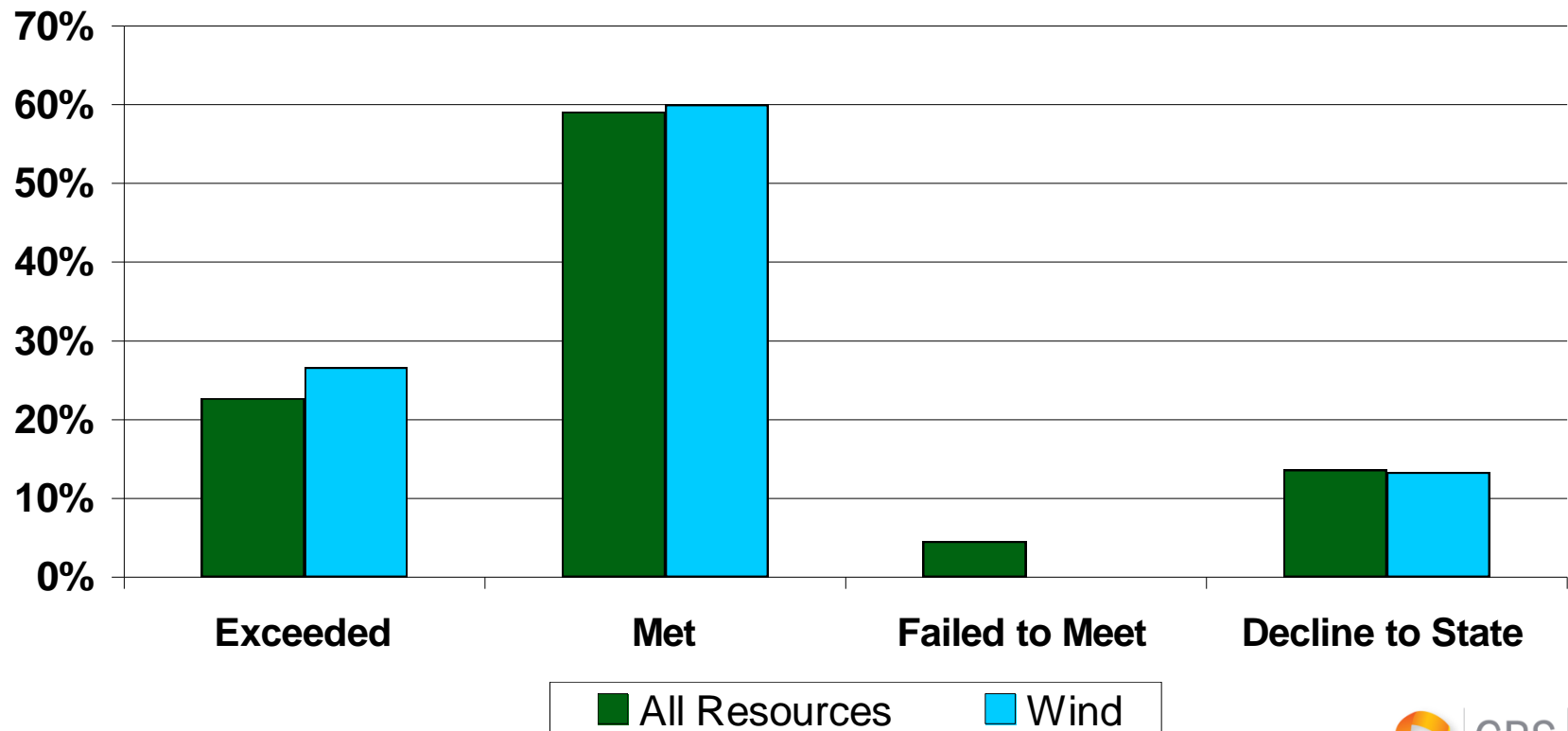
# Voluntary Market Role

Significance of the availability of the voluntary market in investment decisions



# Expectations

The degree to which returns in the voluntary market met respondents' expectations



# Additional Survey Results

- Very few investors sold carbon offsets from renewable energy projects
- Most respondents have sales contracts of 1-3 years; wind contracts slightly longer
- Half of respondents also sell some generation into RPS markets

# Conclusions

For survey respondents:

- Voluntary market's role in investment decisions increased markedly since 2003
- Wind investors had voluntary market in mind earlier, have longer contracts, and tend to be more satisfied with voluntary market returns
- Voluntary market provides meaningful support to new renewables

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