REC Price Transparency: A Wind Developer’s Perspective

Peter Toomey
Manager, Environmental Markets
Iberdrola Renewables, Inc.
RECs are critical source of project revenues

Prices can vary dramatically by state

Can be key source of market differentiation

Fewer bundled opportunities magnify importance

**RECS + ENERGY + INCENTIVES = PROJECT VALUE STREAM**

Lack of REC price transparency can obscure opportunities!
2. **Price as Three Dimensional Concept**

- **Spot price = “Potemkin Village”**
- Wind project is long-lived, capital-intensive investment
- Market depth and tenor are critical
- **What do the liquidity and forward curves look like?**

Wind developers must evaluate REC market in 3 dimensions!
Diminished PPA demand far greater concern than REC price transparency!

3. REC Price Transparency as Symptom

- REC markets reasonably efficient
- Electronic platforms exist that could improve transparency
- Focus should be on improved policy and market design
- Price transparency likely to improve as/if markets mature
Peter Toomey
Manager, Environmental Markets
1115 Broadway, 12th Floor
New York, NY 20016
peter.toomey@iberdrolaren.com
(646) 770 - 1679