

S&P Global

# RECs and corporate procurement

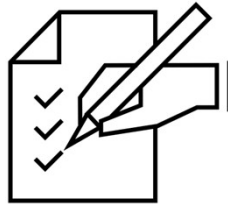


# Why are price assessments and benchmarks needed?

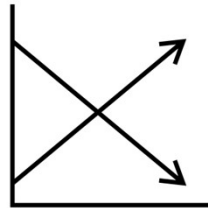
**Commodities** are not homogenous. Platts establishes **standards** that provide a common understanding of a commodity's attributes.



**Buyer, sellers and traders** use them as a basis for pricing spot transactions and term contracts.



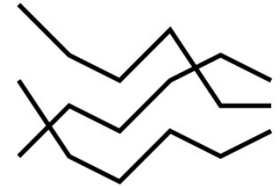
**Risk managers** use them to settle contracts and to place a market value on the products they hold.



**Analysts** use them to identify trends and patterns in supply and demand.



**Governments** reference them to formulate royalty payments and retail prices.



**Commodity exchanges, clearing houses and financial institutions** use them for listing, trading and clearing purposes.

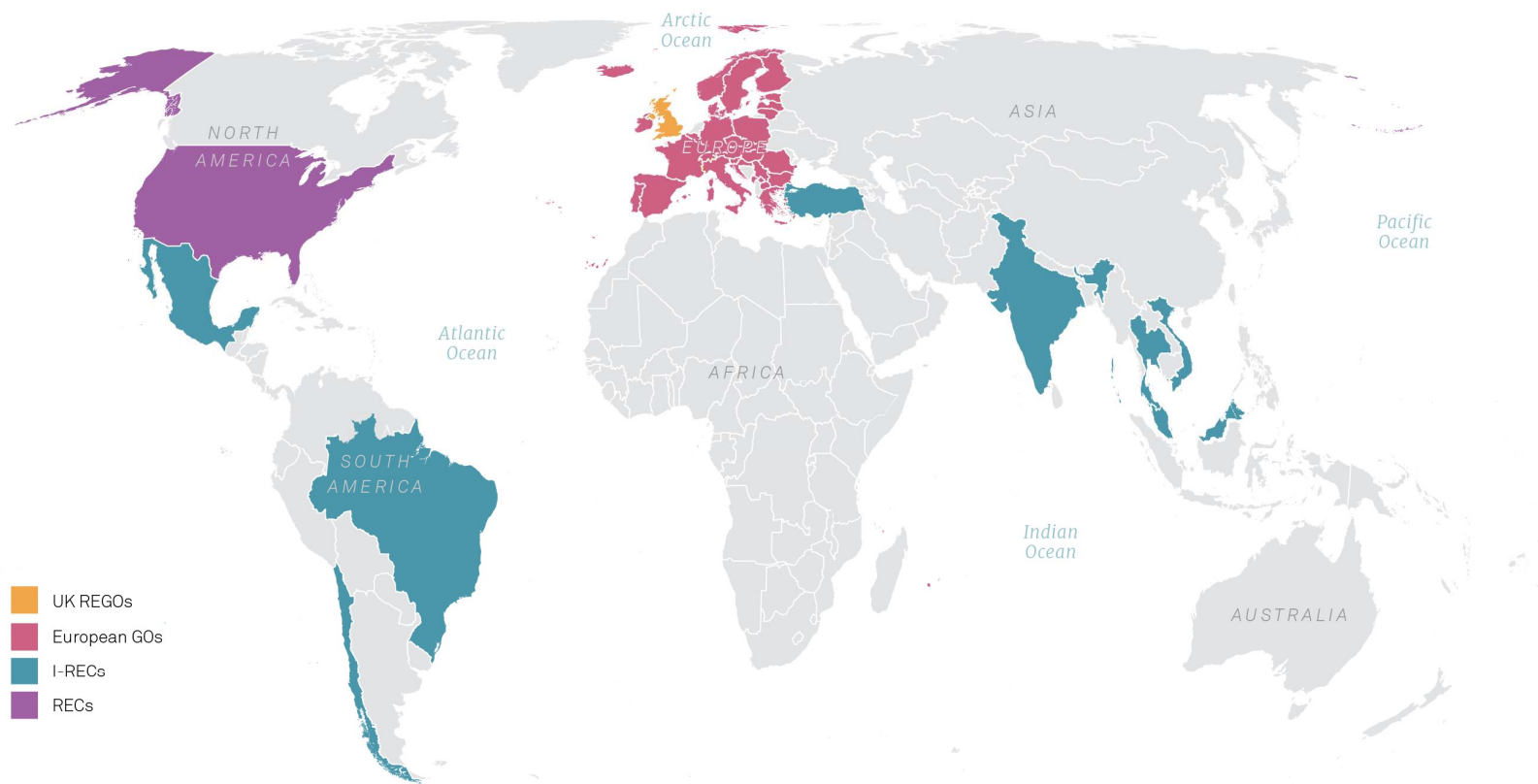
# Platts' Renewables Pricing Coverage

**UK REGOs:** Daily assessments for non-bio and biomass for current Compliance Period up to CP +2.

**European GOs:** Daily assessments for: Nordic Hydro (2024 to 2028), EU Wind, EU Biomass, EU Solar.

**I-RECs:** Daily assessments for: Brazil, Turkey, Chile, Mexico, Malaysia, Thailand, Vietnam and India.

**RECs:** Prices for over 100 locations across North America.  
Weekly emissions adjusted RECs price assessments incorporating RESurety data.



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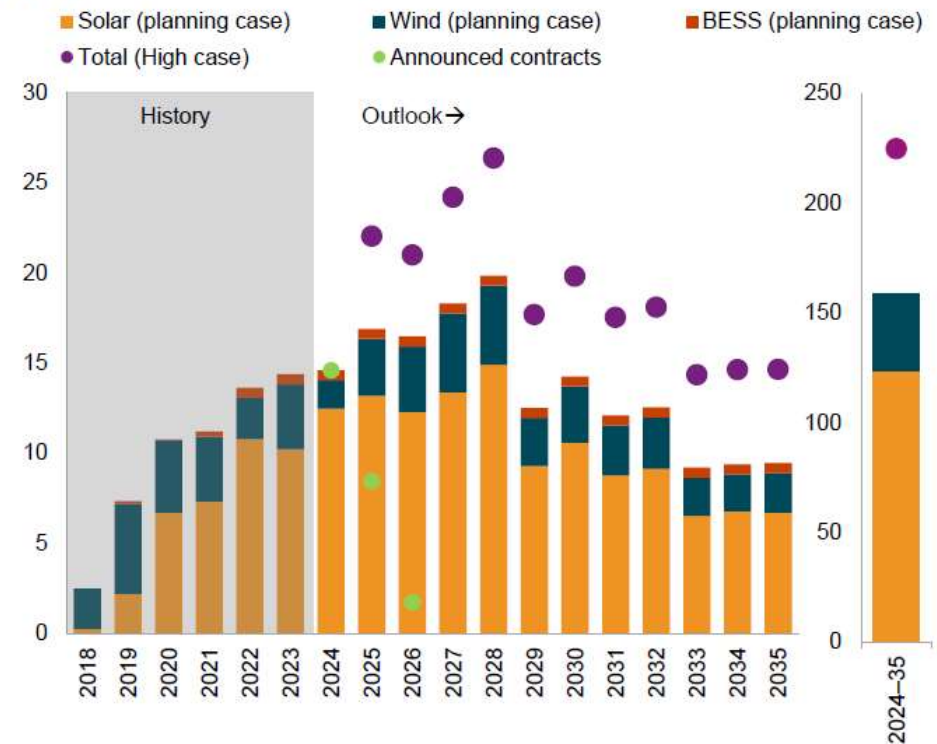
S&P Global  
Commodity Insights

Credit: CI Content Design  
Source: S&P Global Commodity Insights

## Corporate energy procurement as a driver

- Corporations have become the largest counterparties for renewable power purchase agreements, accounting for over half of all contracts in 2023.
- Corporate demand is expected to drive an average of 13.1 GW of new additions per year (planning case), accounting for 28% of total US utility-scale renewable additions from 2024 to 2035. If a greater number of corporations expand their ambitions, demand could drive an annual average of 19.1 GW (high case).

2024 outlook: US annual renewable capacity additions tied to project-specific corporate procurement (GW)

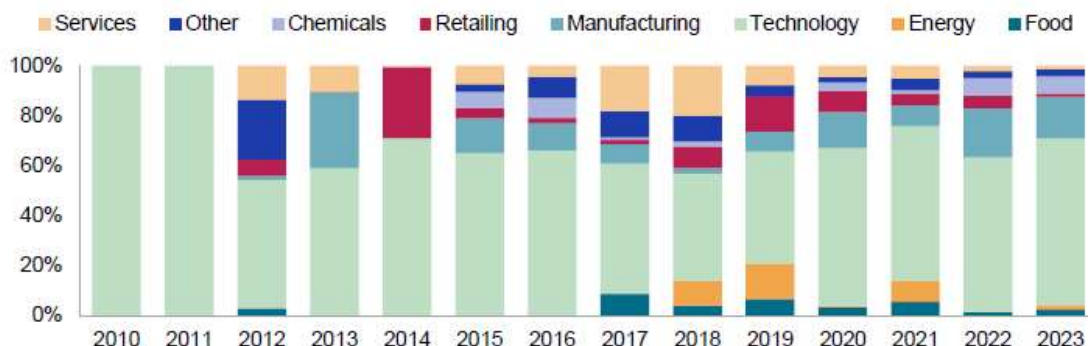


Data compiled April 2024.  
Source: S&P Global Commodity Insights.

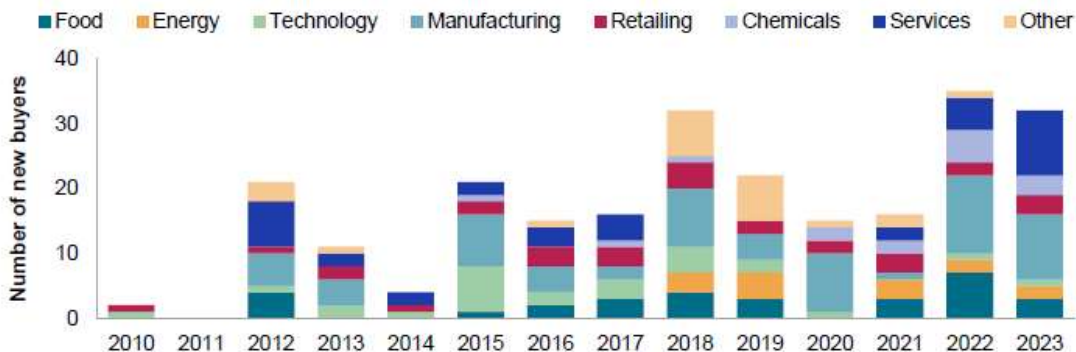
## Technology sector leads renewable energy procurement, new buyers emerge

- Since 2010 the technology sector is the lead in energy procurement
- >60% of the energy procured is consumed by the technology sector.

US announced project-specific corporate renewable capacity procured by industry



US announced project-specific corporate renewable capacity procured by industry



- Manufacturing and Services sectors are contributing with new buyers
- Diversification in end consumers

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# Current year vintage RECs and SRECs Price Assessments

(\$/MWh)

4

3

2

1

18-Jan-24

14-Mar-24

09-May-24

03-Jul-24

05-Sep-24

- Texas SREC
- National Green-E Certified REC Any Technology
- Texas Non-Solar REC

Note: Information up to Sep. 5, 2024

Source: S&P Global Commodity Insights,

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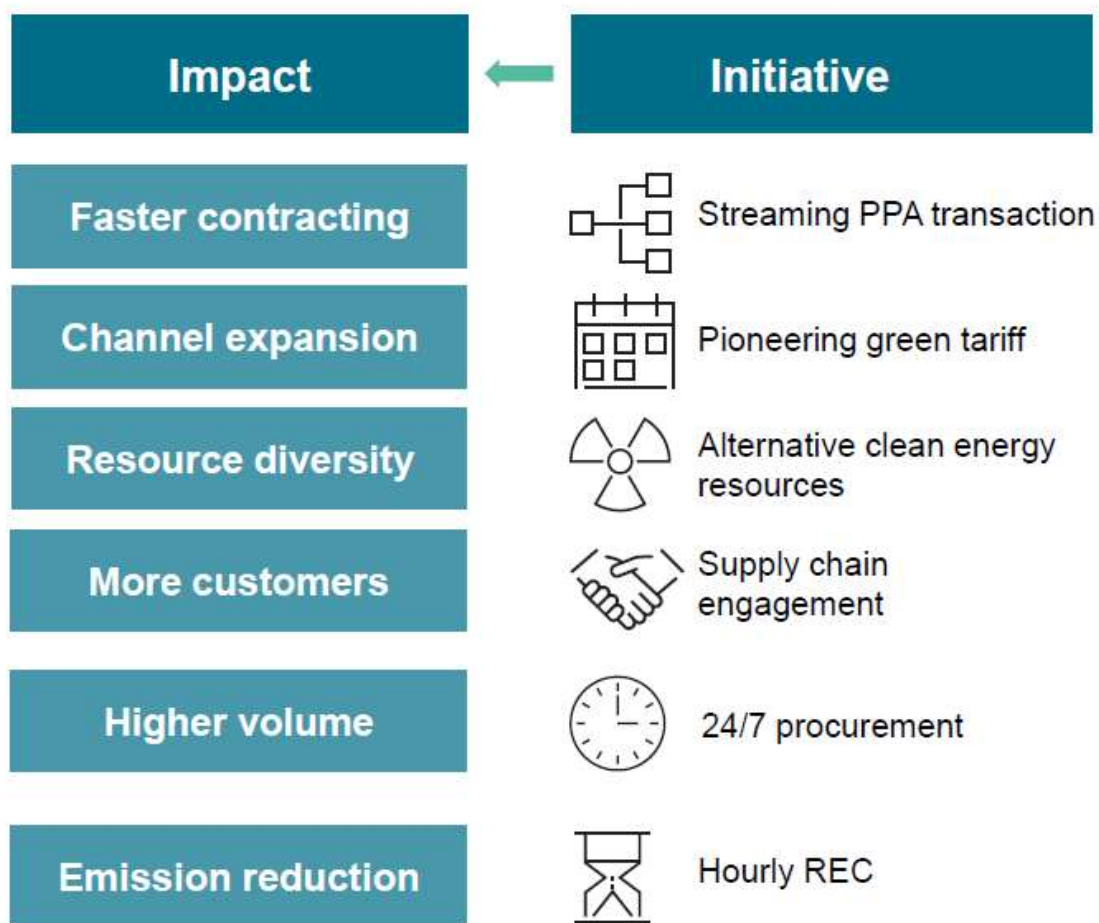
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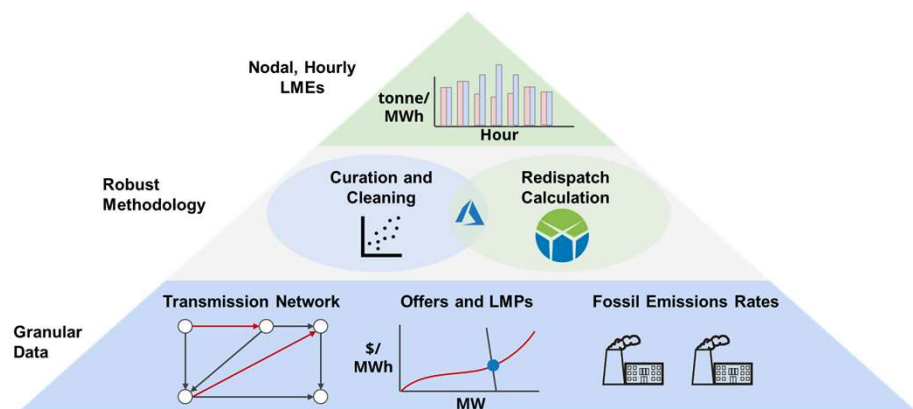
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## New procurement trends



## Emission Adjusted RECs



Emissions Adjusted REC prices will calculate and publish the emissions impact of each REC instrument; enabling more impact-efficient trading

### Details

S&P Global Renewable Instrument Prices

*SPGCI weekly US REC price assessments*

+ RESurety Locational Marginal Emissions (LME) Data

*Hourly project-specific generation and emissions rates allow for calculation of the avoided emissions by each REC instrument*

REC Product	REC Price (\$/MWh)	LME Rate (mtCO <sub>2</sub> e/MWh)	Carbon Value (\$/mtCO <sub>2</sub> e)
National Green-e, Any Technology	2.83	0.38	<b>7.37</b>
Texas Non-Solar	2.82	0.37	<b>7.60</b>
Pennsylvania Tier 1	23.86	0.55	<b>43.93</b>

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# Contact us

## PRIMARY CONTACT(S)

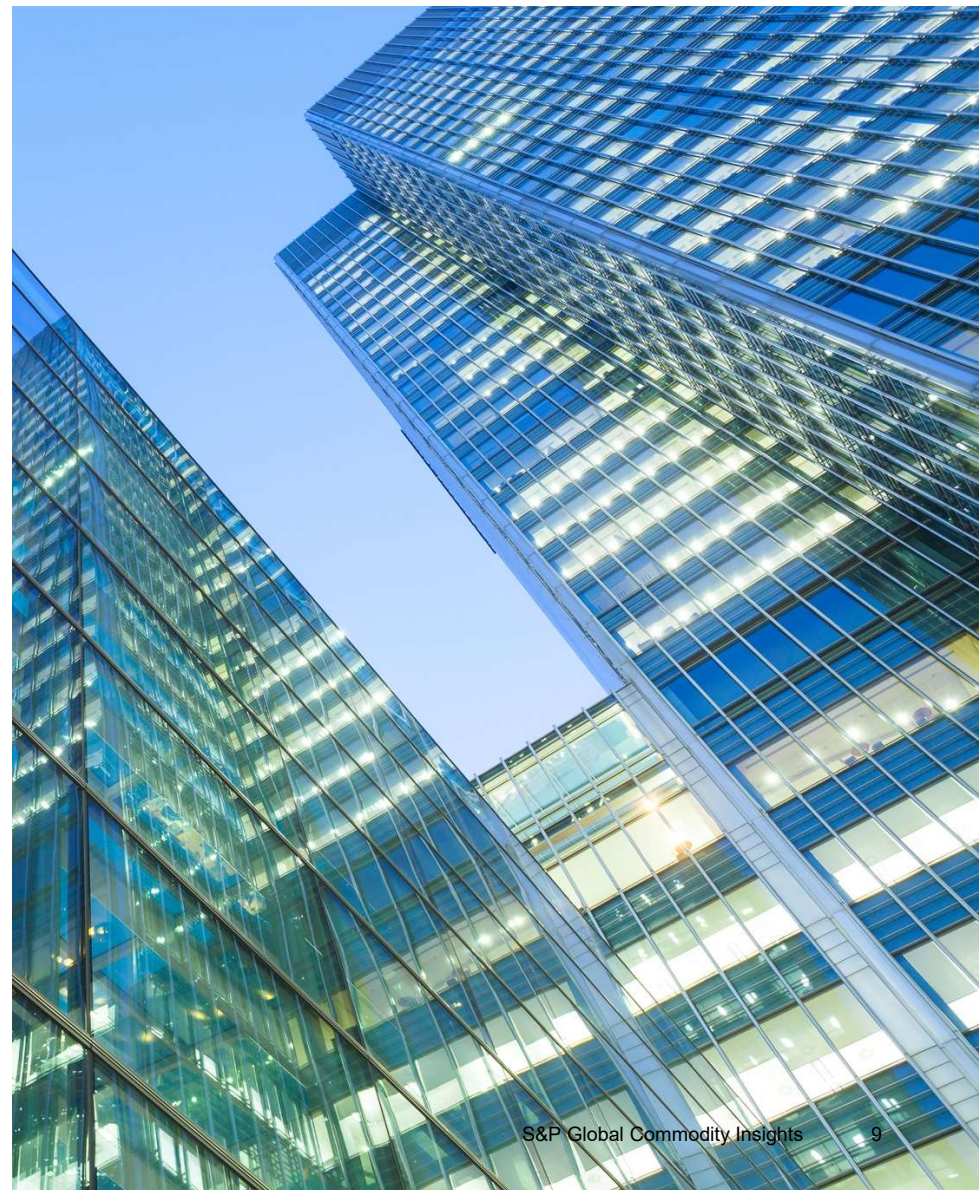
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Add mobile phone and team email

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