

SRECs in Compliance Markets Need L/T Contracts



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Jim Pierobon

*Standard Solar, Inc,
Pierobon & Partners LLC
TheEnergyFix.com blog*

Despite Hurdles, SRECs Are Playing Integral Roles in Financing Large PV

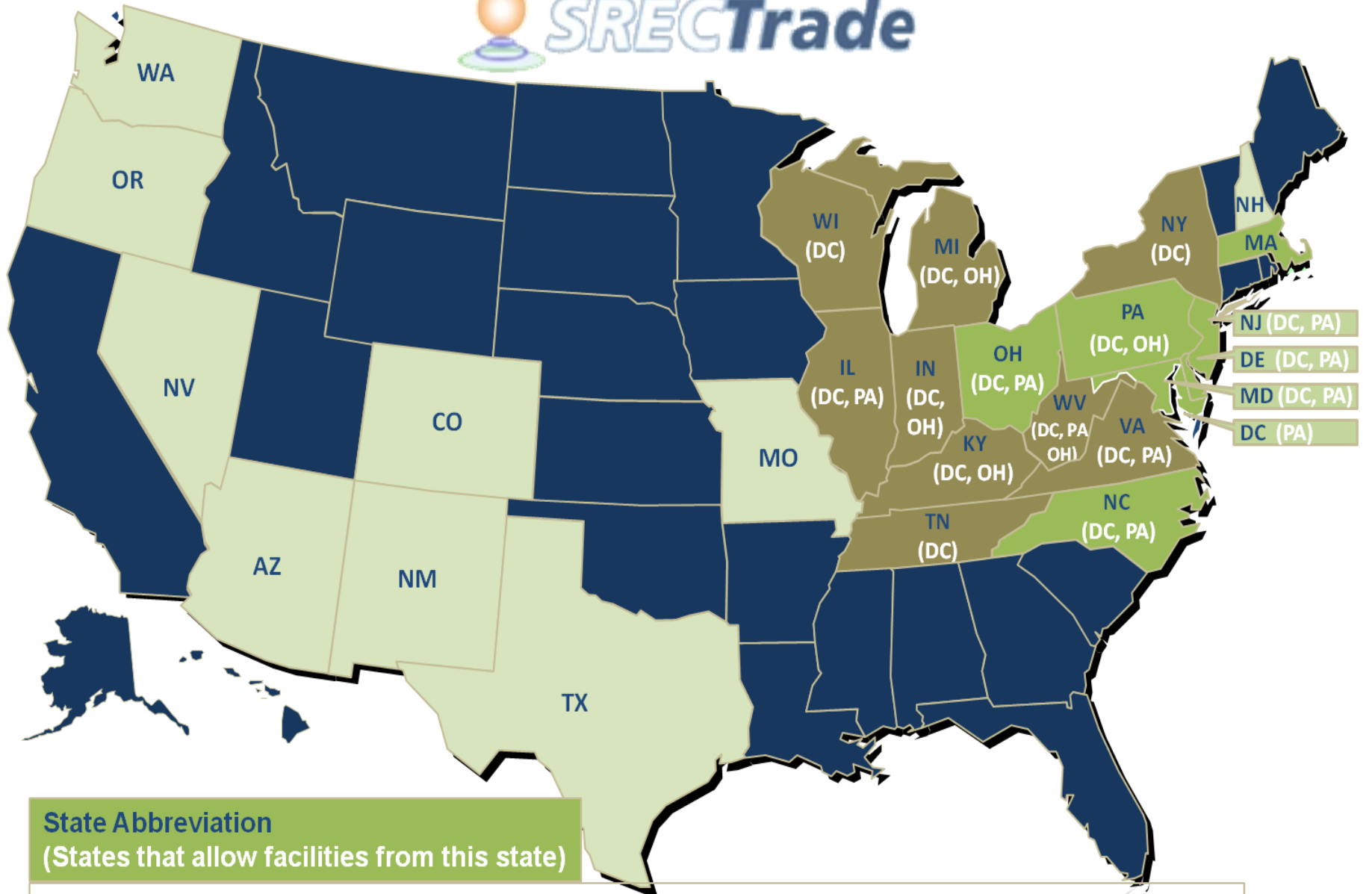
- Electricity suppliers and utilities need them to meet RPS requirements
 - Over reliance on paying the ACP
 - Paying year-by-year, 2 years max
- More enterprises, for-profit and institutional, are grasping their financing role for system owners
- Large PV systems require large sums of capital
- Short contracts pay for projects > once

BUT: Utilities / Suppliers Should Be Obligated to Contract for SRECs Over 15-20 Years

- Without SRECs, very few system owners OR hosts can make finances work
- L/T contracts deliver financing stream banks demand
- Utilities / suppliers slow to engage
- Lack of transparency inhibiting market's growth

Long-Term SREC Contracts Need to be Sold to Policymakers

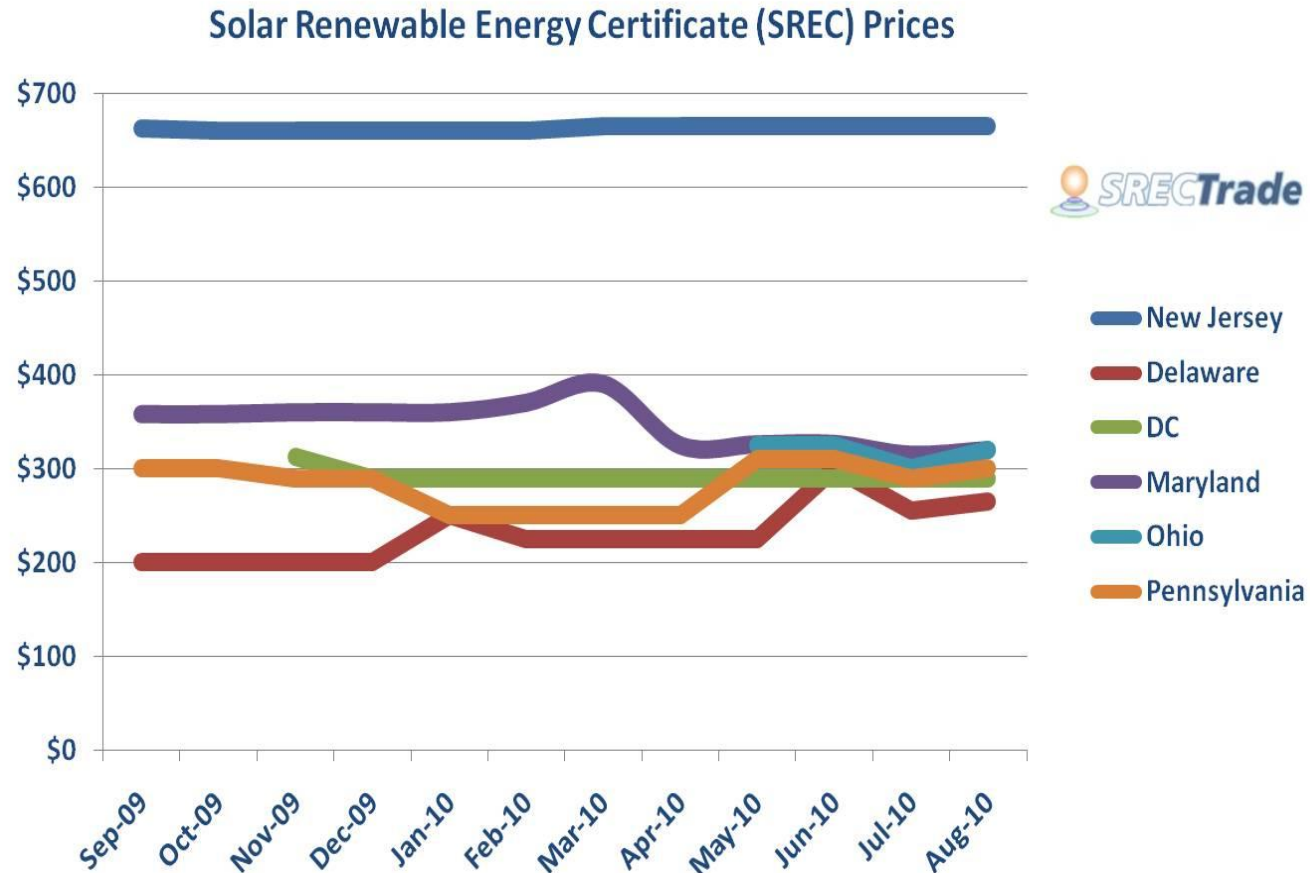
- Some states battenning down hatches:
 - ✓ incentivizing 'local' installations
 - ✓ prohibiting SRECs from 'outsiders'
- Stakeholders need to educate lawmakers, PUCs, energy purchasers
- CRS, RPS Collaborative, et. al. could help with outreach



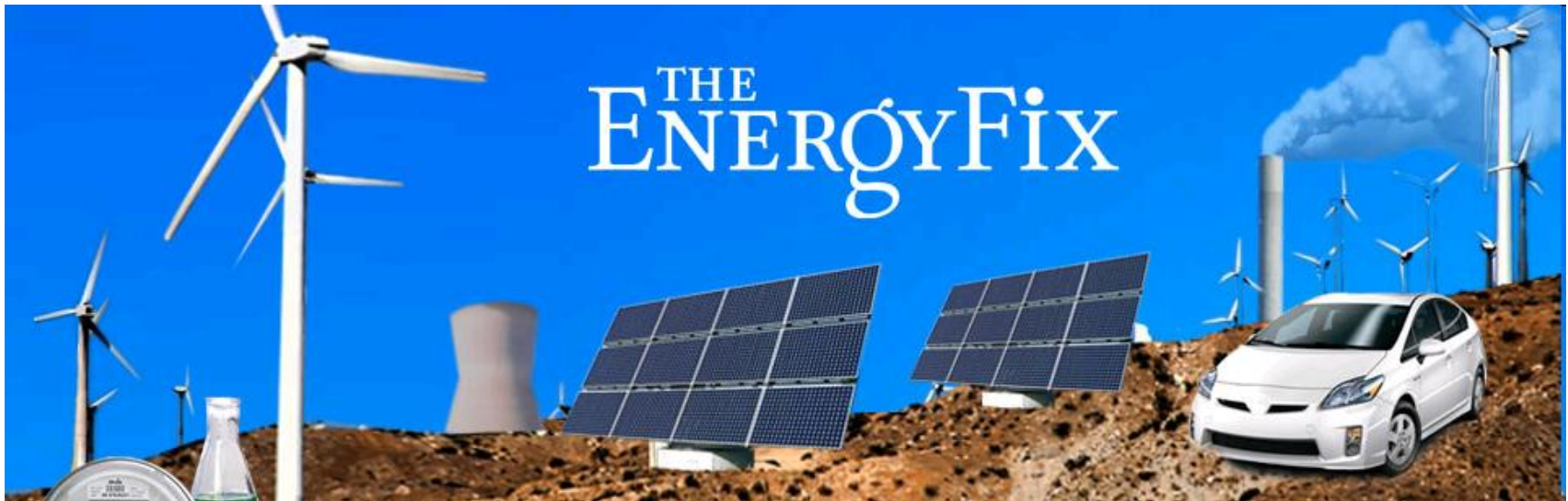
State Abbreviation
(States that allow facilities from this state)

- States with SREC markets (DC, DE, MA, MD, NC, NJ, OH, PA)
- States eligible to sell into other state SREC markets (All states eligible in NC)
- States with a Renewable Portfolio Standard Solar requirement, but no SREC market yet

SREC Prices: Sept 2009 – Aug 2010



Source: SRETrade.com



Jim Pierobon

jim@jimpierobon.com

301-520-1758



New Jersey RPS: 22.5% by 2021

- 2.1% solar by 2021
- Gov. Christie raided renewable grant funds to balance budget
- SRECs \$640



Pennsylvania AltPS: 18% by 2021

- 3% solar by 2011; 8% by 2020
- Market slow to develop due to utility exemptions, now over-heating
- SRECs in 2011 = \$249
- Initial RFPs over-reached on credit requirements
- PECO's auction for SRECs at \$260, 50% of ACP



Maryland RPS: 20% by 2022

- .04% solar in 2011;
 - 2% solar by 2020
- ACP currently \$400, set to decline in steps after 2014
- SRECs trading 70-80% of ACP, \$320
- Industry eyeing forward, long-term contracts from utilities for large PV



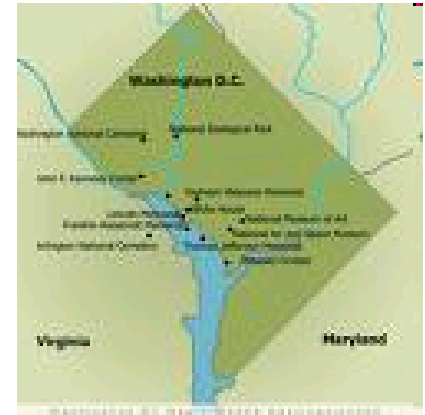
Delaware RPS 25% by 2026

- .018% solar by 2011
 - 3.5% by 2026
- Planned 10 MW in Dover threaten to flood market
- State's 'Sustainable Energy Utility' to buy Dover's SRECs, hold until 2015
- SRECs \$225 in 2011



District of Columbia RPS: 20% by 2020

- .02% solar in 2011;
 - .4% by 2020
- ACP \$500 fixed through 2018
- SRECs currently \$290
- Very shallow SREC pool
- Exelon 10 MW project in Chicago set to soak up all SRECs



Ohio RPS: 12.5% by 2024

- .01% solar currently;
 - rises to .5% by 2024
- Current ACP \$400;
 - falls to \$50 by 2024



Ohio | Department of Development