



# MARKETS AND TRADING: THE ROLE OF THE Voluntary MARKET

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# Overview

1. The Community Energy Story
2. The Voluntary and Compliance Markets
3. Market Drivers
4. Market Value
5. The Future

# Community Energy

## *Building a Clean Energy Future*

- Clean energy market pioneer
- Experienced wind and solar developer
- Clean energy supplier to
  - 120,000+ residences and businesses
  - 20 utility green power programs
  - Some of the largest green power purchasers in the nation
- Founding member of REMA



# The Beginning

1999 → Less than 10 MW of wind east of the Mississippi

2000 → CEI partnered with the first wind farms in PJM



Somerset Wind Farm, PA

- ☑ Goal: Build wind farms
- ☑ Idea: Customers want to make a difference and will pay more for renewable energy
- ☑ Result: Success! By 2004 built 154.5 MW of wind based on voluntary commitments

# The Markets

## ➤ Voluntary

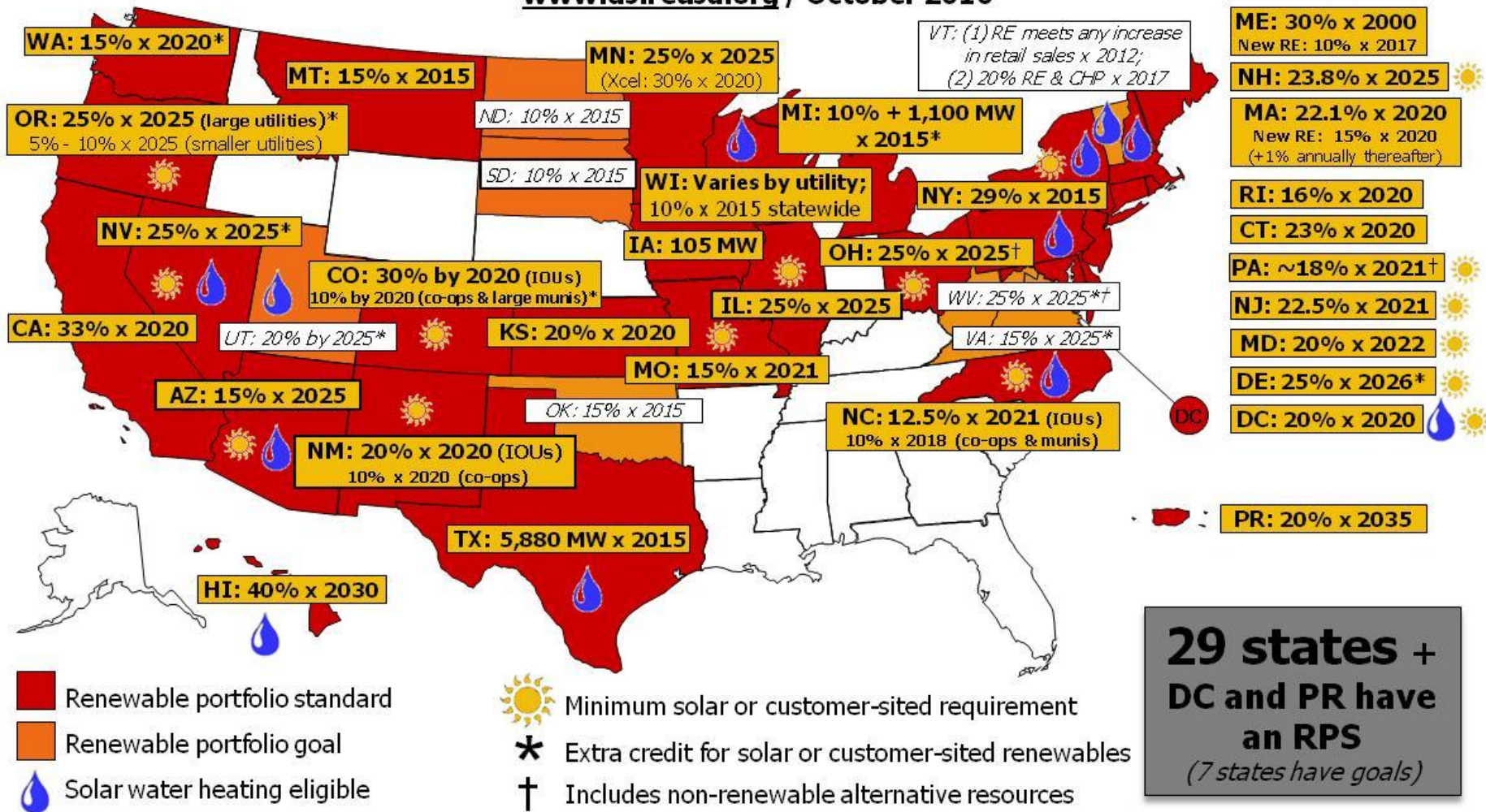
- Established late 1990's
- Driven by customers who choose to support renewable energy
- Early large purchasers 2005-2006: Whole Foods, Johnson & Johnson, Wells Fargo

## ➤ Compliance

- Gained momentum mid-2000's
- Driven by mandated targets
- 29 states have standards

# RPS Policies

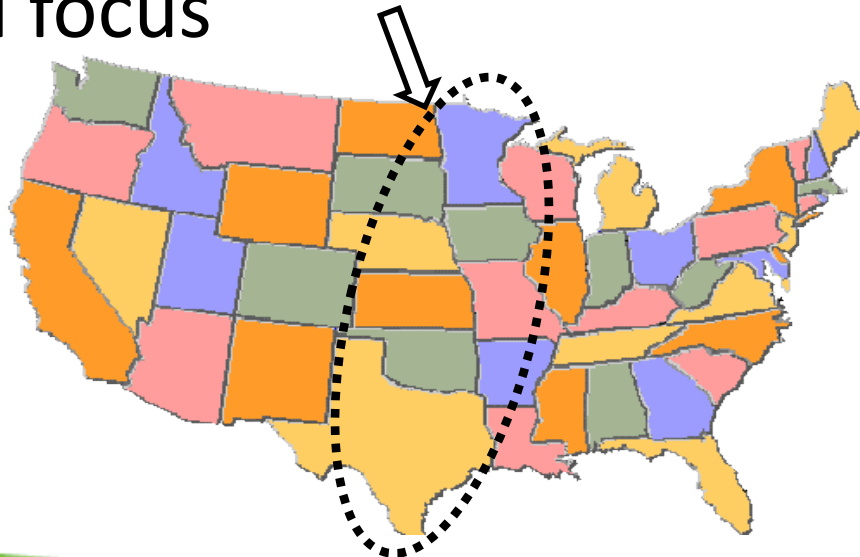
[www.dsireusa.org](http://www.dsireusa.org) / October 2010



**29 states + DC and PR have an RPS**  
*(7 states have goals)*

# Voluntary Now

- More players in the market
  - Customers, marketers, developers, brokers
- Abundant supply
- High volume, lower priced sales
- National focus

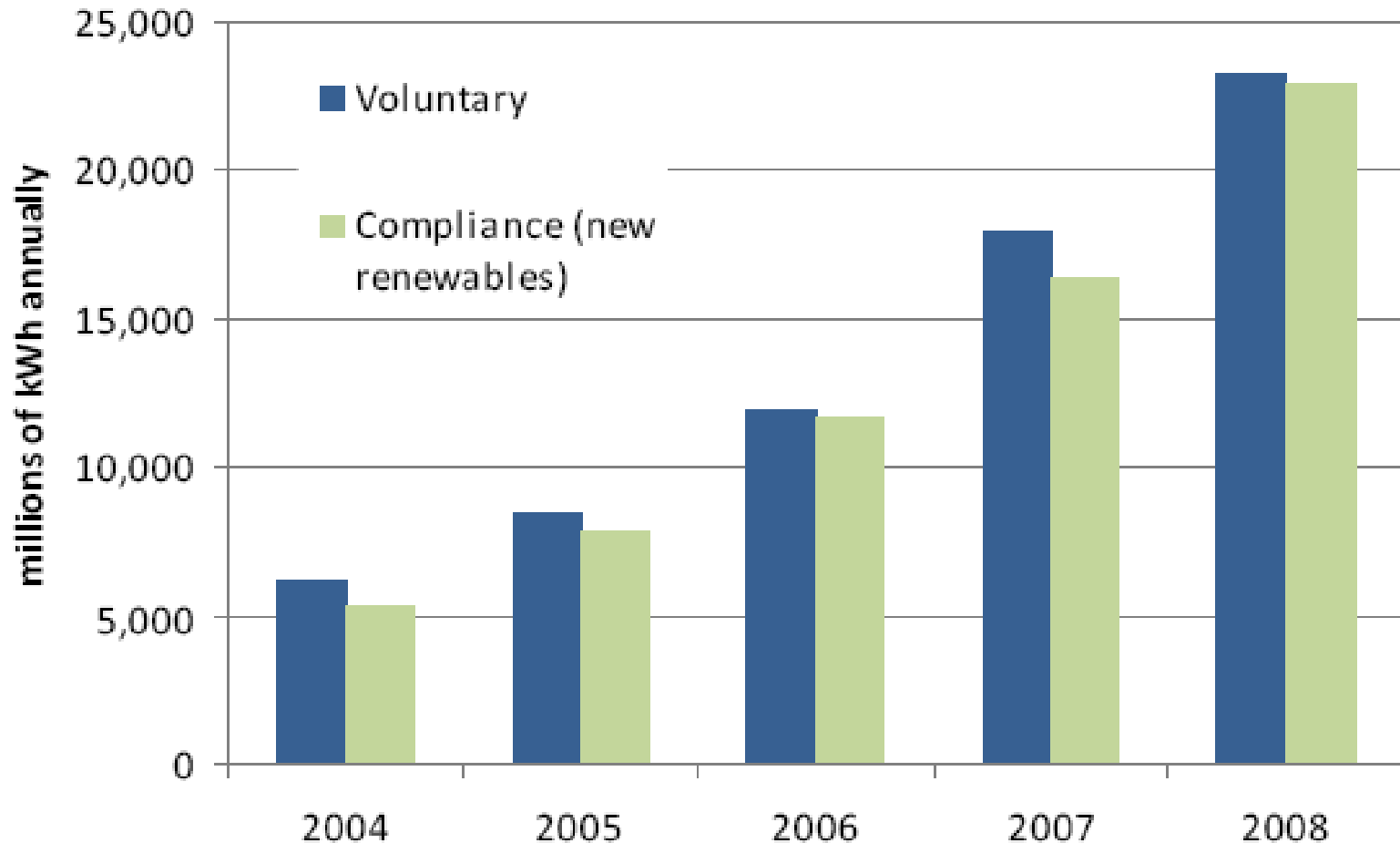


# Market Differences

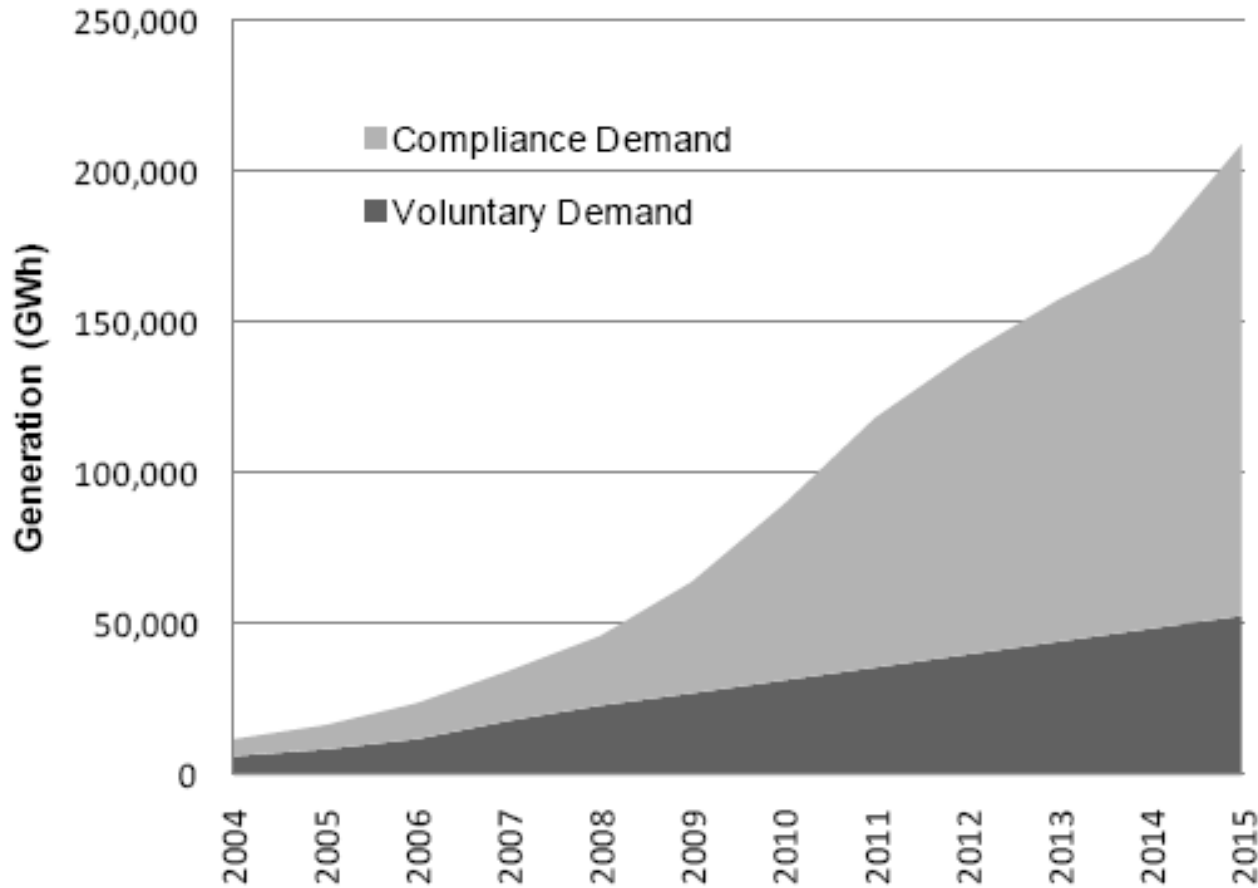
	Voluntary (today)	Compliance
Mandate	No	Yes
Price	Low	High
Geographic preference	Low	High
Technology preference	High	Low
Verification	Green-e	State Agency (i.e. BPU or PUC)

**Both markets = Revenue for Generators**

# Historical Demand



# Projected Demand



# Voluntary Market Contributions

- Pioneers for new generation
- Revenue stream for generators
- Raise awareness/advocate
- Established the foundation for the RE markets
- Helped shape public policy
- Provide price hedge for developers (PECO WIND)

# Value

## ➤ Customers value:

- Carbon value –  
lower cost, higher volume  
purchases
- Total value –  
other benefits include  
green power, local  
environmental and economic interests



## ➤ Customers can provide more value to generators

# Future

- Vibrant voluntary markets essential to lead the compliance markets
- New drivers/ products/ models needed
- Examples
  - Regional support
  - Hedges
  - Solar
  - Long term commitments
- Recognition Needed

# Conclusion

- Significant market growth over past 10 years
- The voluntary and compliance markets complement each other and serve similar goals
- New market drivers needed
- The voluntary market is essential and can continue to lead in new markets

# Thank You

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