

REC Price Transparency: A Wind Developer's Perspective

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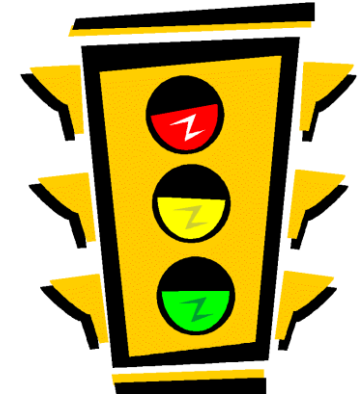


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I. REC PRICE AS KEY MARKET SIGNAL



- 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

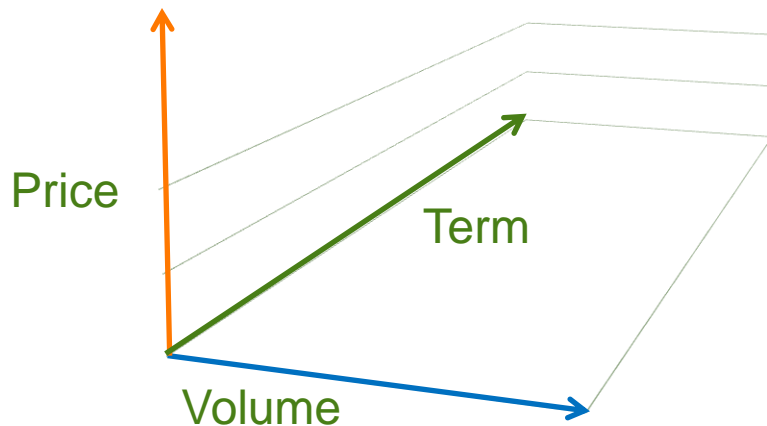


RECS + ENERGY + INCENTIVES = PROJECT VALUE STREAM

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!

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

Diminished PPA demand far greater concern than REC price transparency!

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