RENEWABLE ENERGY CREDIT (REC) MARKET DYNAMICS & TRADING

June 19-20, 2018
Law Offices of Nixon Peabody LLP
Boston, MA

“This seminar is full of excellent information, beneficial to any ranking profession looking to refine their knowledge on RECs, and their markets.”

Financial Operations Analyst,
Clearview Energy
OVERVIEW

Renewable Energy Credits (RECs) are one of a growing number of environmental commodities that are an essential, but often overlooked, component of all renewable energy developments and financial transactions. Most utilities, project developers, and capital sources understand the principal that a REC is created for each megawatt-hour of renewable electricity generated and delivered to the power grid, representing the legal rights to the environmental benefits associated with this power production. Companies that cannot directly invest in solar panels or wind turbines may purchase RECs and can benefit from the flexibility that RECs provide them. However, it is often difficult to understand and fully value the multiple ways that RECs can be sold, bartered or traded as a commodity to their benefit.

This symposium provides a unique opportunity to learn the fundamentals of RECs and their relationship to renewable portfolio (RPS) mandates, while advancing an organizational ‘game plan’ for business strategy and successful compliance. It will describe the nuances of U.S. REC markets, devoting most attention to the growing and dynamic northeastern U.S. market, analyzing key financial and contractual considerations for RECs and exploring how emerging policies will impact the future of REC markets. The training will showcase how properly addressing RECs in a renewable energy project development transaction can make a significant difference in that project’s bankability and profitability. There will be a discussion on typical processes for REC certification, certification, system administration, and appropriate financial structuring to achieve their optimum transactional value. And state government regulatory staff charged with administering the New England REC market will discuss tips for REC compliance, as well as evaluate impacts of new and evolving regional policies on state RPS and REC markets. Attendees will come away with a current and in-depth understanding of REC market forces, dynamics and trading instruments, as well as benefit from an interactive “REC trading” exercise to gain hands-on experience in the commodity marketplace.

LEARNING OUTCOMES

- Review the history of Renewable Energy Credit (REC) markets
- Evaluate REC markets on a national, regional and state perspective
- Discuss fundamentals of registering, selling, settling and tracking RECs
- Review best practices for managing REC tracking systems and functional activities on the administrative level
- Describe active and emerging REC markets from emerging state clean energy legislation
- Evaluate potential impacts to REC markets from changing regulation and policy
- Discuss the status and key trends with voluntary REC markets
  - Utility REC/green pricing programs
  - Commercial and residential buyers
  - Verification, certification and purchasing processes
- Examine REC market dynamics, transaction and trading fundamentals
- Analyze historical REC pricing information, market liquidity, and causes for market fluctuations
- Discuss best practices for REC compliance in New England markets for state RPS goals
- Identify types of transactions, contract options and processes to piece together a successful financial package

WHO SHOULD ATTEND

Those involved with:

- Retail energy market operations
- Load service and management
- Renewable energy credit purchasing, trading and selling
- Renewable power contract management
- Renewable project development and finance
- Renewable and distributed energy portfolio policy and implementation
- Environmental and GHG planning
- State regulatory and commission staff
- Carbon/emissions management teams
- Carbon/emissions market consultants and advisors
- Asset management
- Financial analysis
AGENDA

TUESDAY, JUNE 19, 2018

8:00 – 8:30 am Registration & Continental Breakfast

8:30 – 10:00 am Introduction to Renewable Energy Credit Markets
- Background and history of renewable energy credits (RECs)
- Structure of RECs from a legal and regulatory standpoint
  - Renewable Portfolio Standard (RPS) programs
  - National perspective
  - Regional perspective
- Overview of different REC markets
- How are RECs created and transferred?
- REC procurement and sale
- New England Renewable Energy Credits (RECs) overview
  - Economic impact
  - Environmental impacts of energy and carbon on wholesale electric markets
  - Low and zero emissions renewable energy credit (LREC/ZREC) programs
- States covered in New England with RPS programs

Ruth Silman, Boston Office Managing Partner, Nixon Peabody LLP
Christie Bradway, Manager – Renewable Power Contracts, Eversource Energy

10:00 – 10:15 am Morning Break

10:15 am – 12:00 pm Active and Emerging REC Markets, Compliance, & Market Dynamics
- REC market forces and dynamics
- REC statistics by technologies and by state
- Multi-state qualification
- Identify number of RECs needed per state to meet mandates
- Carve-outs, set-asides and other focusing instruments
- Describe a summary of oversupply/undersupply in the market
- Emerging legislation and their implications for new markets and potential new products
  - Rhode Island
  - New Jersey
  - Vermont
  - Maryland
  - Illinois
  - Massachusetts
  - Southeast REC markets

Moderator: Scott Eidson, Vice President - Environmental Markets, 3Degrees
Adam Amann, Environmental Products Specialist, Capital Power Corporation
Christopher Kearns, Chief - Program Development, Rhode Island Office of Energy Resources
Randy Richard, Environmental Trader - Commodity Portfolio Management, Capital Power Corporation
Michael Judge, Director, Renewable and Alternative Energy Division, Massachusetts Department of Energy Resources (invited)

“The selection of the venue and the participants were well thought out and made for a cohesive message. The insight touched on many aspects of the market I was curious about and some parts that I didn’t expect to impact the market. It was very informative.”

Broker/Analyst, Amerex Brokers, LLC
AGENDA

TUESDAY, JUNE 19, 2018 (CONTINUED)

12:00 – 1:00 pm  Group Luncheon

1:00 – 2:00 pm  National REC Registries & Administrative Aspects of Operation
- Overview of RECs regional markets and North American REC Tracking System
- Review how different registries operate
- Tips for programmatic day to day, administration and operation
- Compare and contrast regional markets: key differences
- Midwestern RECs: understanding the market and evaluating future opportunities

  Benjamin L. Gerber, Executive Director, Midwest Renewable Energy Tracking System (M-RETS)

2:00 – 3:15 pm  Voluntary Renewable Energy Credit (REC) & Green Power Markets
- Background, status and trends
- Voluntary REC market buyers and players
  - Corporations and large organizations
  - Residential consumers
- Product types
  - Selling in regulated and retail markets
  - Needs and considerations for existing programs
- System administration for voluntary RECs
- C&I REC market and purchase process
  - Tracking systems
- Technicalities of key processes in the voluntary REC market
  - Typical processes and interactions
  - Certification and eligibility
  - Purchase process for commercial/residential
  - Bundled RECs in power purchase agreements
    - Certifying long-term contracts
    - Direct certification

  Kirsten Ho, Analyst – Certification Programs, Center for Resource Solutions (CRS)
  Gates Sanford, REC & Offset Trader, 3Degrees

3:15 – 3:30 pm  Afternoon Break

3:30 – 5:00 pm  Renewable Energy Credit (REC) Transactions & Trading Fundamentals
- Identify REC market players (buyers, sellers, brokers, traders)
- Technicalities of a REC transaction process
  - Successful transaction mechanisms
  - Trade execution
- Structured transactions
- Work day in the life of a REC market participant
  - Trading RECs in voluntary and compliance markets
  - Volume of RECs
  - Value of transactions
  - Types of transactions

  Patrick McFadden, Environmental Products Broker, Marex Spectron
  Jack Velasquez, Senior Vice President-Environmental Markets, Marex Spectron
  Jennifer Butt, Environmental Products Broker, Marex Spectron
  Christie Bradway, Manager – Renewable Power Contracts, Eversource Energy

5:00 pm  Program Adjourns for the day
WEDNESDAY, JUNE 20, 2018

8:00 – 8:30 am  Continental Breakfast

8:30 – 10:00 am  REC Project Finance & Contract Options
• Piecing together a financial package for RECs
• Project finance through REC transactions
  o Selling long-term REC obligations
  o Hedging forward REC compliance needs
• Debt and equity
  o Contracts to sell RECs
  o Different types of REC contracts
  o Structuring long-term REC contracts
  o REC contract implications on financing
• Contract/transaction case study
  o Kearsarge Energy
  Jim Duffy, Partner, Nixon Peabody LLP
  Bethany Bartlett, Partner, Sherin and Lodgen LLP
  Andrew Bernstein, Managing Partner, Kearsarge Energy
  Tony Grappone, Partner, Novogradac & Co LLP

10:00 – 10:15 am  Morning Break

10:15 – 11:45 am  Mock REC Trading Exercise
• Role play as a REC market buyer (seller, buyer, trader)
• Market dynamic exercises with mock injections of market forces
• Practice buying, selling and trading
  Patrick McFadden, Environmental Products Broker, Marex Spectron
  Jack Velasquez, Senior Vice President-Environmental Markets, Marex Spectron
  Jennifer Butt, Environmental Products Broker, Marex Spectron

11:45 am  Program Adjourns

“The panel discussions and final mock trading were very useful and informative.”

“The program was great. It covered the topics needed for a REC seller”
Associate Electrical Engineer, MWRD

“EUCI conferences are targeted at industry insiders and each one dives deep into specific topics. This REC program is great for anyone looking to expand connections within their industry or those new to the material.”
CEO, EDGE Energy

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INSTRUCTIONAL METHODS

PowerPoint presentations, interactive dialogue and instructor/panel discussions will be used to present the material.

REQUIREMENTS FOR SUCCESSFUL COMPLETION

Participants must sign in/out each day and be in attendance for the entirety of the course to be eligible for continuing education credit.

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Upon successful completion of this event, program participants interested in receiving CPE credits will receive a certificate of completion. **EUCI is authorized by CPE to offer 12 credits for this course.** There is no prerequisite for this course. **Program Level 1:** Beginner and Intermediate, **Delivery Method:** Group-Live, **Advanced Preparation:** None

EVENT LOCATION

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EVENT LOCATION

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Boston, MA 02110-2131

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Your registration may be transferred to a member of your organization up to 24 hours in advance of the event. Cancellations must be received on or before May 18, 2018 in order to be refunded and will be subject to a US $195.00 processing fee per registrant. No refunds will be made after this date. Cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCI event. This credit will be good for six months from the cancellation date. In the event of non-attendance, all registration fees will be forfeited. In case of conference cancellation, EUCI’s liability is limited to refund of the event registration fee only. For more information regarding administrative policies, such as complaints and refunds, please contact our offices at 303-770-8800.

EUCI reserves the right to alter this program without prior notice.

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