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# Solar Tags and Green Pricing Programs: Factors Impacting Wholesale and Retail Valuations

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**UPEx**

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# 3 Phases Business Groups

**GREEN DIRECT**

Direct Access 100% Renewable Retail Electricity Sales

**GREEN CERTIFICATES**

Renewable Certificates Sales and Utility Green Partnerships

**GREEN ONSITE**

Onsite Renewable Generation and Efficiency Programs

# THE QUESTION:

## "What is the market rate for solar Tags (RECs)?"

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# REC Valuation Factors

**GENERATOR**

- Liquidity of market
- Market rate for RECs
- Cost of replacing vs. retiring

**REC MARKETER**

- Liquidity of market
- Volume of RECs from generator

**RETAIL CUSTOMER**

- Type of generation technology
- Location of generator
- Age of generator

**Commercial Customers: RECs are sold and not bought**

**Residential Customers: RECs are bought and not sold**

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# Retail REC/Renewable System Purchaser Relative Valuations

- Blended Portfolio
- Photovoltaics
- New Wind
- Biogas
- Biomass

***More Valuable***

***Less Valuable***

- Renewables on my site
- Renewables in my community
- …in my region
- …in my state
- …in my grid

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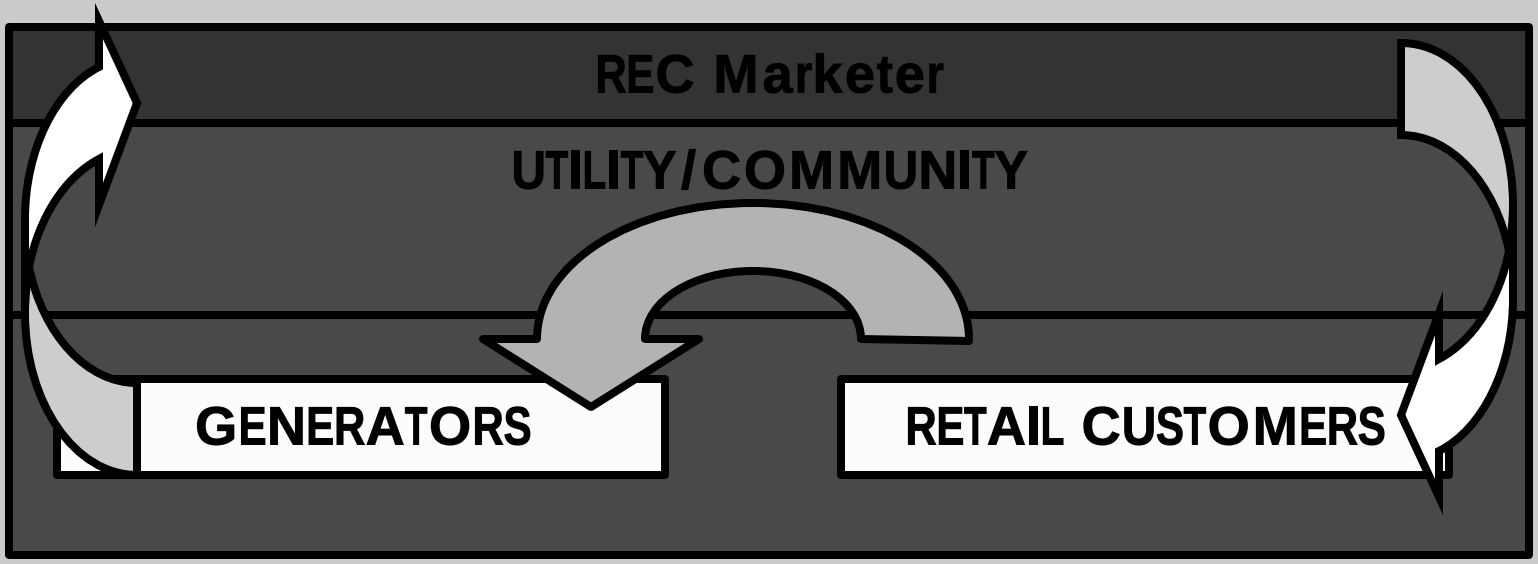
# The Power of Community Green Pricing




REC Flow

Cash Flow

# Conclusions

- Green Pricing programs capture maximum value
  - Relatively low perceived value of retiring onsite RECs + relatively high perceived value of RECs in the community
- Simple billing—customer sees green energy on their electric bill
- Programs can provide attractive REC packages to retail customers + strong incentives for new community-based renewables generation
- Green Pricing programs are the best way to join REC buyers with REC generators at the highest point of value for both