



# **NJ SREC Market Update**

## **March 12, 2014**

# Speakers



**Steven Eisenberg**  
CEO



**Alex Sheets**  
Director Environmental Markets



**Sam Rust**  
Director Business Development

# Agenda

- **Company Overview**  
*Sam Rust*
- **Solar Capacity and SREC Supply**  
*Steven Eisenberg*
- **SREC Pricing**  
*Alex Sheets*
- **Q and A**

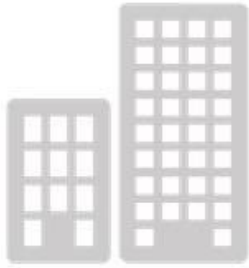
# Overview



## Online SREC transaction & management platform

- Since 2008
- 9,000+ clients
- 135+ MW under management
- 100% SREC focused
- Brokerage model

# Services



## Corporate

Electricity suppliers and institutional clients with systems above 250 kW



## Residential and Small Commercial

Home owners and commercial systems smaller than 250 kW

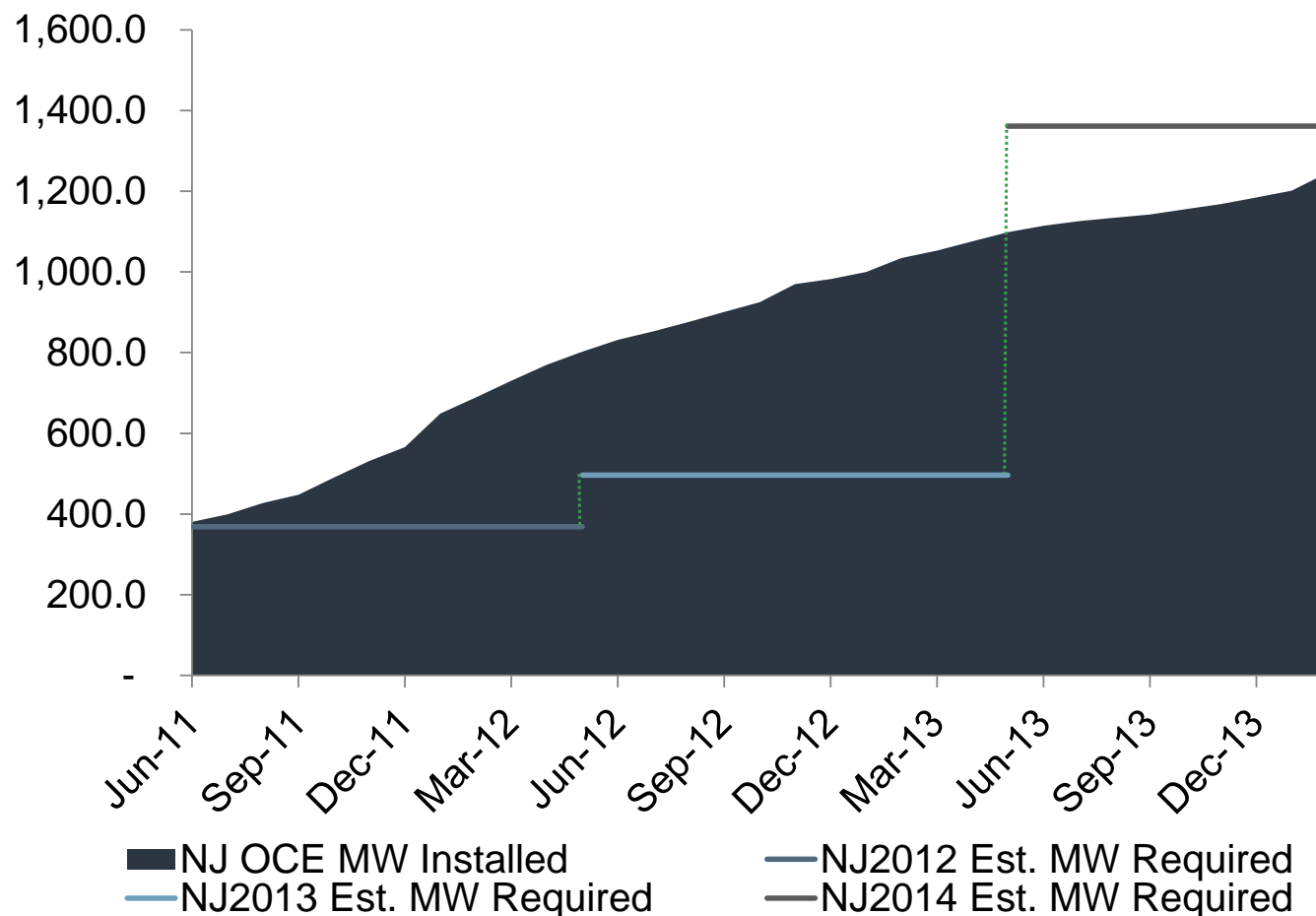


## Installers

Turn-key SREC solutions for solar installers and developers

# NJ Capacity Installed

Estimated Installed Capacity as of 2/28/14 = 1,245.5 MW



**EY2014**

2.05% Solar  
Req.

Estimated  
SRECs Req.=  
**1.6 mm SRECs**

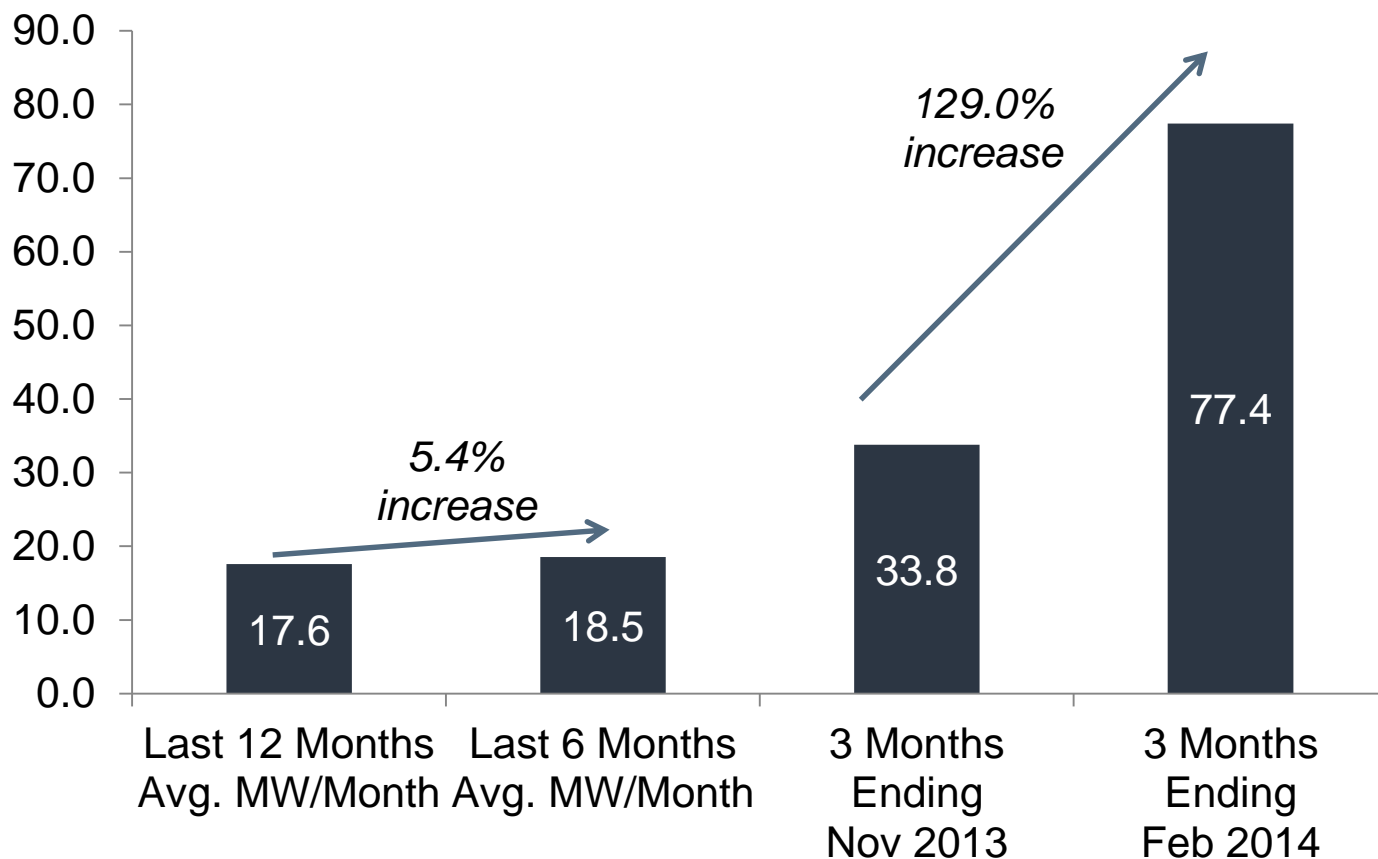
Estimated Avg.  
Annual MW  
Balance  
Needed\* =  
**1,361.2 MW**  
(not including  
older vintage)

Source: NJ BPU / Office of Clean Energy and SRECTrade Estimates

# NJ Capacity Installed

Feb-14: 44.1 MW installed; up 161% month over month from Jan-14; 32.6 MW from 3 large projects

- Last 3 month avg. (Dec-Feb) = 25.8 MW / month

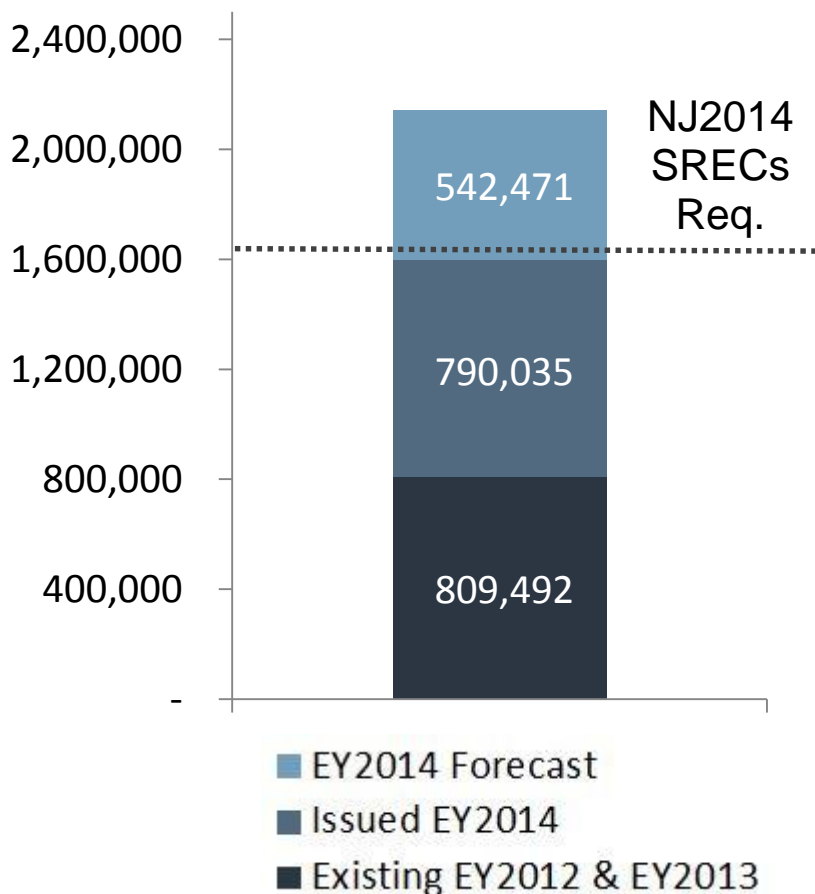


Source: NJ BPU / Office of Clean Energy

# NJ SREC Supply and Forecast

**EY2014 YTD: ~790k SRECs eligible Jan-2014 issuance**

- **EY2014 total eligible supply = ~2.1 mm SRECs (includes old vintages)**



**EY2014:**

- **With no new build, will exceed req. by ~495k**
- **Higher with continued build**

**EY2015:**

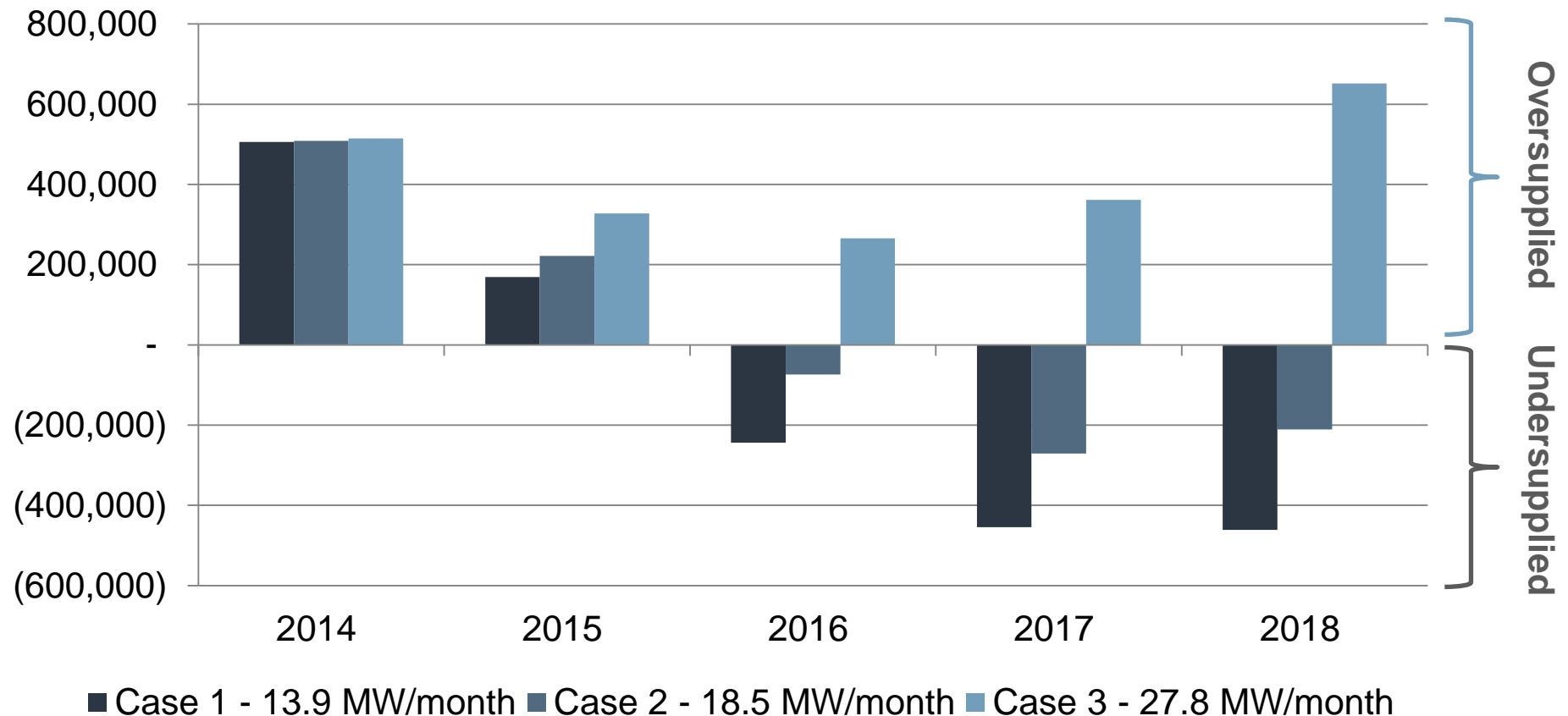
- **Oversupplied if 6 mo. avg. build stays status quo (18.5 MW/month)**
- **Slightly Oversupplied (i.e. ~6%), if build declines by 50% (9.3 MW/month)**

Source: PJM GATS and SRECTrade Estimates



# NJ Supply / Demand Scenarios

Varying degrees of oversupply, 8-17%, through 2015...

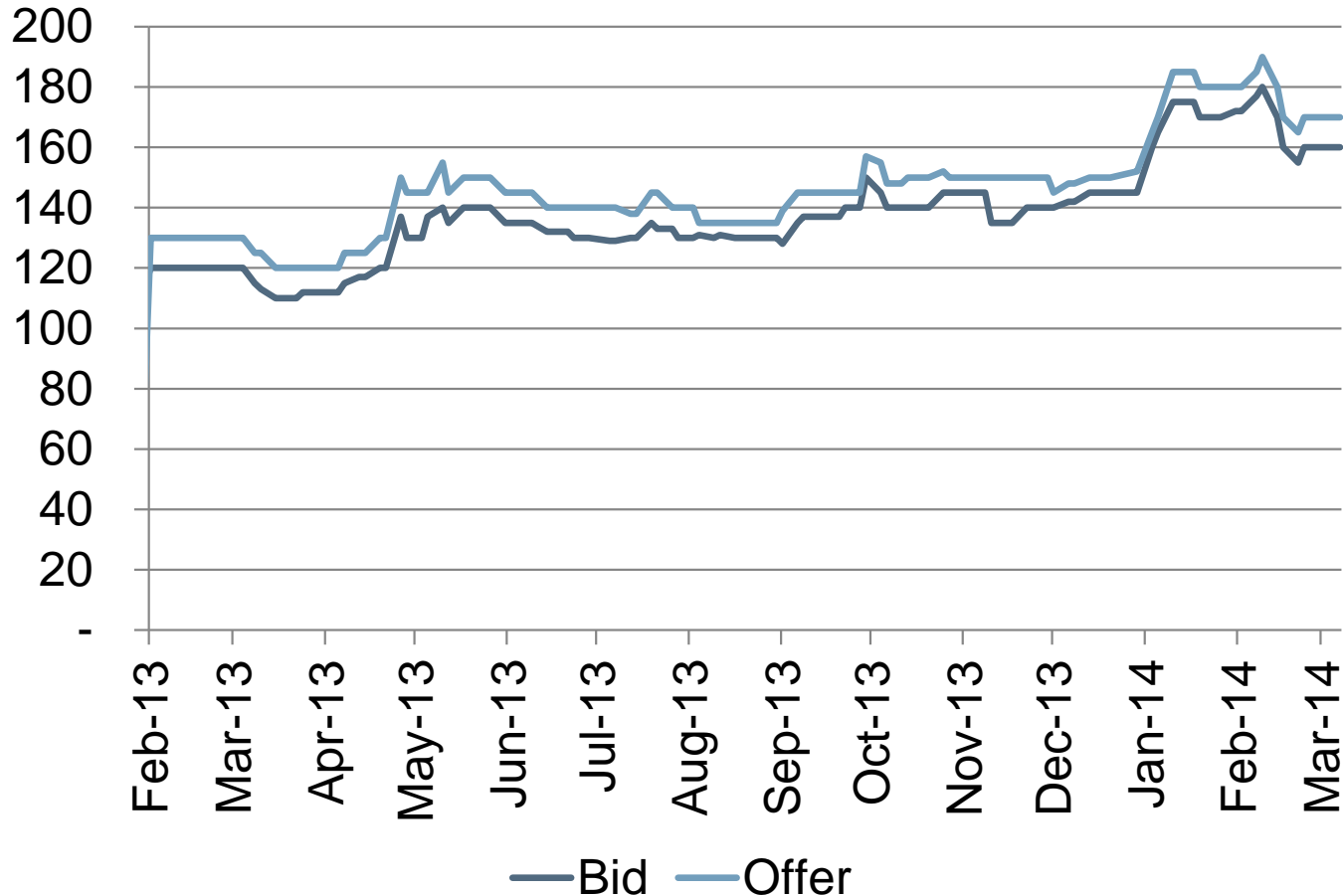


Source: SRECTrade Estimates

# NJ2014 Spot Market Pricing

Recent spot transactions have pulled back a bit

- Current NJ14 Market: \$160 @ \$170

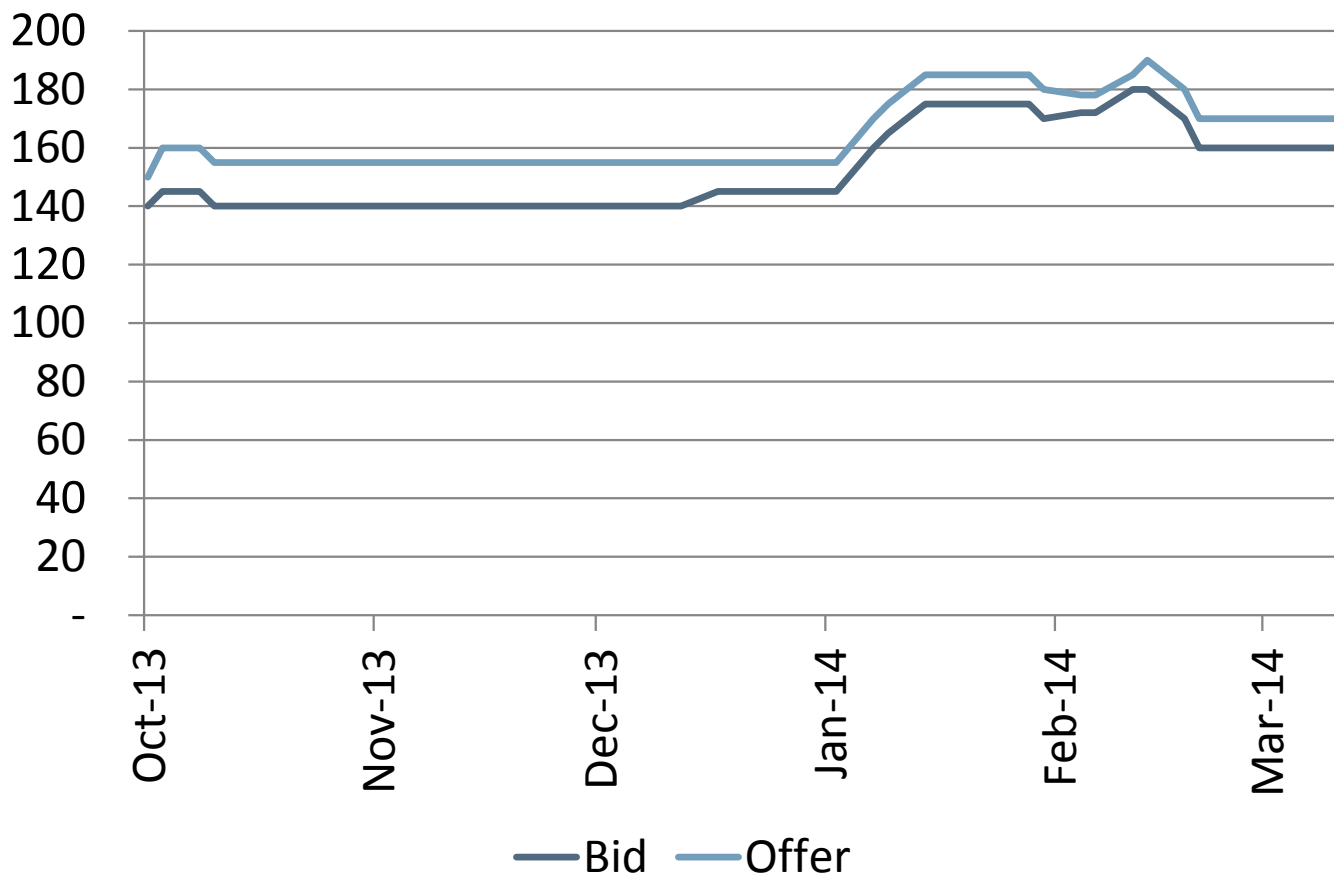


Source: SRECTrade

# NJ 3 Year Forward Market

Forward curve has flattened, inline with current vintage, given shift to balanced supply in future years

- Current NJ15-17 Market: \$160 @ \$170



Source: SRECTrade

# Questions?

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# Exhibit 1

## Detail behind NJ Supply / Demand Scenarios from Slide 9

SREC Forecast vs. Estimated SRECs Req.	2014	2015	2016	2017	2018
<b>Case 1 - 75% of Last 6 Month Average MW Added Per Month Throughout the Forecast</b>					
Estimated NJ SREC Requirements	1,633,394	1,981,386	2,257,365	2,499,519	2,706,146
Less: Excess SRECs From Prior Period	809,492	505,643	168,977	-	-
Less: Case 2 Estimated SRECs Produced	1,329,545	1,644,720	1,844,880	2,045,040	2,245,200
<b># of SRECs Under / (Over) Supplied</b>	<b>(505,643)</b>	<b>(168,977)</b>	<b>243,508</b>	<b>454,479</b>	<b>460,946</b>

<b>Case 2 - Last 6 Month Average MW Added Remains the Same Per Month Throughout the Forecast</b>					
Estimated NJ SREC Requirements	1,633,394	1,981,386	2,257,365	2,499,519	2,706,146
Less: Excess SRECs From Prior Period	809,492	508,604	221,978	-	-
Less: Case 3 Estimated SRECs Produced	1,332,506	1,694,760	1,961,640	2,228,520	2,495,400
<b># of SRECs Under / (Over) Supplied</b>	<b>(508,604)</b>	<b>(221,978)</b>	<b>73,747</b>	<b>270,999</b>	<b>210,746</b>

<b>Case 3 - 1.5x of Last 6 Month Average MW is Added Per Month Throughout the Forecast</b>					
Estimated NJ SREC Requirements	1,633,394	1,981,386	2,257,365	2,499,519	2,706,146
Less: Excess SRECs From Prior Period	809,492	514,526	327,980	265,775	361,736
Less: Case 4 Estimated SRECs Produced	1,338,428	1,794,840	2,195,160	2,595,480	2,995,800
<b># of SRECs Under / (Over) Supplied</b>	<b>(514,526)</b>	<b>(327,980)</b>	<b>(265,775)</b>	<b>(361,736)</b>	<b>(651,390)</b>

Source: SRECTrade