

# RENEWABLES WATCH

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## EXECUTIVE SUMMARY

This inaugural issue of *Renewables Watch*™ begins with an overview of the rules for renewable and storage resources participation in capacity markets. We provide a detailed discussion of PJM's proposed ELCC mechanism and capacity accreditation approaches under consideration in New York and New England.

ESAI reviews several significant factors that drive REC demand, including state Renewable Portfolio Standard (RPS) requirements and load growth expectations. In addition, ESAI reviews existing Class I supply and expectations for new supply going forward. We also provide ESAI's updated PJM and New England Class I REC forecasts.

This issue also provides updates other recent developments in the clean energy sector. We provide an overview of New York's Tier 2 and Tier 4 programs. ESAI reviews advancements in offshore wind development at the federal level, including President Biden's commitment to fast-track federal permitting for offshore wind projects to facilitate meeting the administration's 30 GW by 2030 goal and an update on all offshore wind projects under review with the BOEM. Finally, ESAI review of energy storage mandates and incentives available in the Northeast states.

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## **ESAI is pleased to launch Renewables Watch™**

This inaugural issue of ESAI's *Renewables Watch™* is the first of a quarterly series covering on-going developments in clean energy and renewable power. *Renewables Watch™* brings the same detailed coverage the ESAI Power team has provided for the Northeast energy, capacity, and emissions allowance markets to the renewable energy sector.

*Renewables Watch™* focuses on state and federal policies for clean energy, renewable power, and decarbonization and how the goals of these policies will be met. Subscribers to *Renewables Watch™* receive quarterly updates about the supply and demand balance for renewable energy and ESAI's forecast for renewable energy credit (REC) prices in the Northeast markets. This on-going, in-depth coverage provides developers, investors, regulators, and policy makers with an up-to-date, detailed picture of the clean energy sector outlook, on-going policy developments, and the outlook for related markets.

Each of the first four quarterly issues will provide a comprehensive and in-depth overview of a selected set of topics. Future issues will then provide updates in each of these areas. The first four issues will provide a comprehensive reference with detailed background information about clean energy mandates, decarbonization policy, development/investment opportunities, and market outcomes. ESAI will continue to make these background documents available to subscribers, along with providing updates through the on-going quarterly issues of *Renewables Watch™*.

This extended, inaugural issue of *Renewables Watch™* focuses on:

- Participation by renewable and storage resources in the Northeast Installed Capacity Markets
- State Renewable Portfolio Standard (RPS) requirements and associated supply, including information on projects selected in various renewable RFPs, historical data pertaining to RPS compliance, and how they affect the outlook for Class I REC prices
- Other state and Federal incentives for Class I resources and associated infrastructure
- An overview of battery storage mandates and incentives by state

ESAI welcomes feedback about this inaugural issue and suggestions for content that our subscribers would like to see in future issues. Representative potential topics for future issues and on-going coverage are:

- Progress towards decarbonization goals
- Electrification and power demand
- Class II REC programs and carve outs within Class I programs
- Policies and incentives for distributed renewable generation and storage resources
- Capital costs and technology advancements in the clean energy sector

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