

Shifting CODs, REC prices, and market shakeups to impact corporate procurement, says Trio Q3 Renewables Market Update

Upcoming U.S. federal election and new solar tariffs add complexity to clean energy landscape

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Following two quarters of increases, cumulative renewable inventory dipped in Q3, according to the Q3 2024 Global Renewables Market Update, published by sustainability and energy advisory company Trio. Although

inventory has decreased, projects appear more evenly distributed across markets. This Q3 2024 report focuses on the U.S. market, while the upcoming Q4 report will be focused on European trends.

The results of the upcoming presidential and congressional elections in the U.S. also have the potential to change the trajectory of the industry throughout the next several years.

Adjustments in Commercial Operation Dates (CODs) from developers are indicating that some proposed projects may come online later than originally anticipated. All the same, 80 percent of new projects are guaranteed to come online within three to four years, in contrast to the 59 percent of projects that were able to reach operation in the same timeframe preceding Q3 2021. The guarantee of project delivery dates indicates that corporate buyers are serious about project completion as well as strategy and procurement.

Prices of Renewable Energy Certificates (RECs) continued to decrease in Q3, which has been an ongoing trend for nearly a year. Lower costs of RECs are favorable for corporate buyers looking to meet new, increasingly bold sustainability goals.

The landscape of the electricity market in the Western U.S. is expected to shift, with the Southwest Power Pool (SPP) and California Independent System Operator (CAISO) both vying for more influence and leadership in the Western U.S. electricity market. Because of this intense



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competition, corporate energy buyers may be enticed to develop in these regions due to additional financial benefits, grid flexibility, and new market access and options.

CAISO manages energy transmission in California and parts of Nevada and is developing an Extended Day-Ahead Market (EDAM) that will support the Western Energy Imbalance Market (WEIM). WEIM was launched in 2014 and supports 22 additional areas, while EDAM aims to launch in 2026 to help enhance regional coordination, market efficiency, and energy integration throughout the region. CAISO will be supporting 26 new transmission projects to add 85 GW of new capacity by 2035.

SPP is looking to make big movements westward, which will put them in direct competition with CAISO. SPP filed its Markets+ tariff with the Federal Energy Regulatory Commission (FERC) in March, which they say proves their commitment to “growing the country’s fleet of renewable integration.”

Domestic production of solar panels remains lower than imports of panels to the U.S. market. However, new tariffs introduced by the Biden administration on Chinese solar panels and PV cells indicate that domestic production is on the uptick. U.S. solar panel production has increased fourfold since the implementation of the Inflation Reduction Act, reaching 31 GW of capacity in Q2 2024.

"Even with election uncertainties looming, we continue to see the renewables market holding steady," said Joey Lange, Sr. Managing Director, Energy Supply Advisory, at Trio. "While utility scale project pricing remains elevated, companies are taking a portfolio approach to renewable procurement and utilizing all options available to meet their sustainability goals."

Although clean energy project development is generally increasing and pricing remains stable, project insurance costs are increasing due to the rise in damage and destruction caused by natural disasters. In 2023, premiums on some projects increased by as much as 45 percent. Hail damage is the top driver of insurance claims, amounting to 60 percent of claims made between 2018 and 2023 and totaling \$58.4 million.

Check out Trio’s quarterly report [to find out more](#).

Trio will also be hosting a webinar on Thursday, October 24, to discuss the information set forth in this report. Details and [registration can be found here](#).

About Trio

Trio (formerly Edison Energy) is a global sustainability and energy advisory company that helps large commercial, industrial, and institutional organizations navigate the clean energy transition. Trio provides integrated strategy and implementation services – in sustainability, renewables, energy procurement, conventional supply, energy optimization and transportation electrification

- to help the world's largest organizations meet their strategic, financial, and sustainability goals. Visit trioadvisory.com.

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