

### **Householders Active In REC Market**

Australian householders are delving into the \$100 million market in renewable energy certificates (RECs) by buying up solar water heaters and selling the credit they get to power companies.

About 120,000 Australians have influenced spot REC pricing by registering solar hot water heaters to earn RECs, which can then be sold to power retailers responsible for meeting the MRET of 9500 GWh – around 2 per cent of expected generation capacity – by 2010.

“It’s quite unique to Australia that you have the small guy involved in driving the price,” said David Rossiter, Australia’s Renewable Energy Regulator. “They’re a fast-growing group and are second only to hydro in terms of REC registration so far.”

Spot REC prices have fallen around 30 per cent over the past year as retailers such as AGL and Origin Energy invest in their own renewable generation. But analysts say long-term contract prices for RECs still range between \$20-\$40 depending on volume and timing.

Uncertainty about the long-term policy on carbon emissions as well as volatility in REC pricing can mean buying RECs, rather than directly investing in renewable generation, is more feasible option for all but the biggest retailers.

[Source esaa news]