



Understanding Demand

Global Volumes - Where are markets heading? (I-REC)

Ed Everson

CEO

Evident.

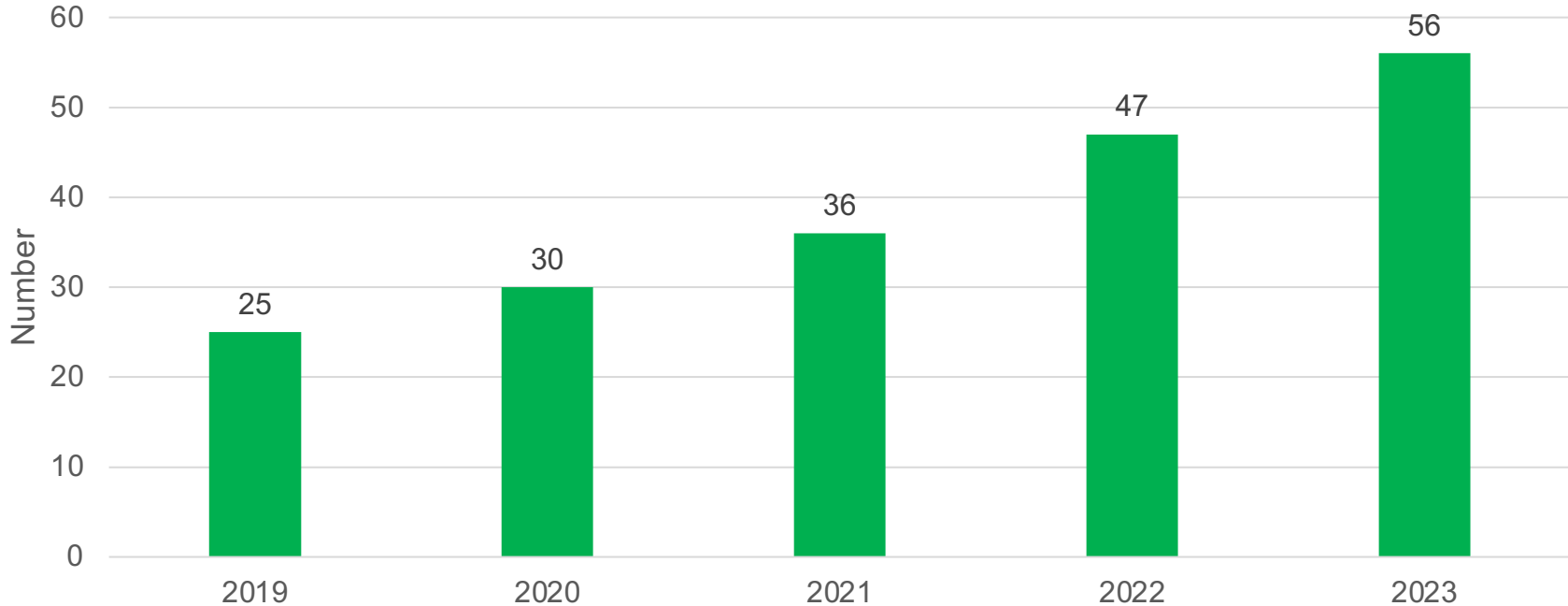


2023: Another Year of Growth for I-REC

- Behind the global numbers there are many local factors
 - New countries being added, usually a slow period as momentum grows
 - Local Issuers being appointed, often catalysing growth
 - Speculation can lead to spikes in issuing, this can then create waves of activity
- Data observed in isolation can often mislead
 - There are common threads that run through the global I-REC market, but also significant regional and local factors that impact on the market
- There are complex and varied dynamics beneath I-REC markets:
 - Nascent, immature, semi-mature, and mature energy markets
 - Some of the lowest and highest GDP per capita nations
 - Significant variations in natural resource for renewable energy production
 - No large-scale, international single market zones



Continued Growth in Active Countries

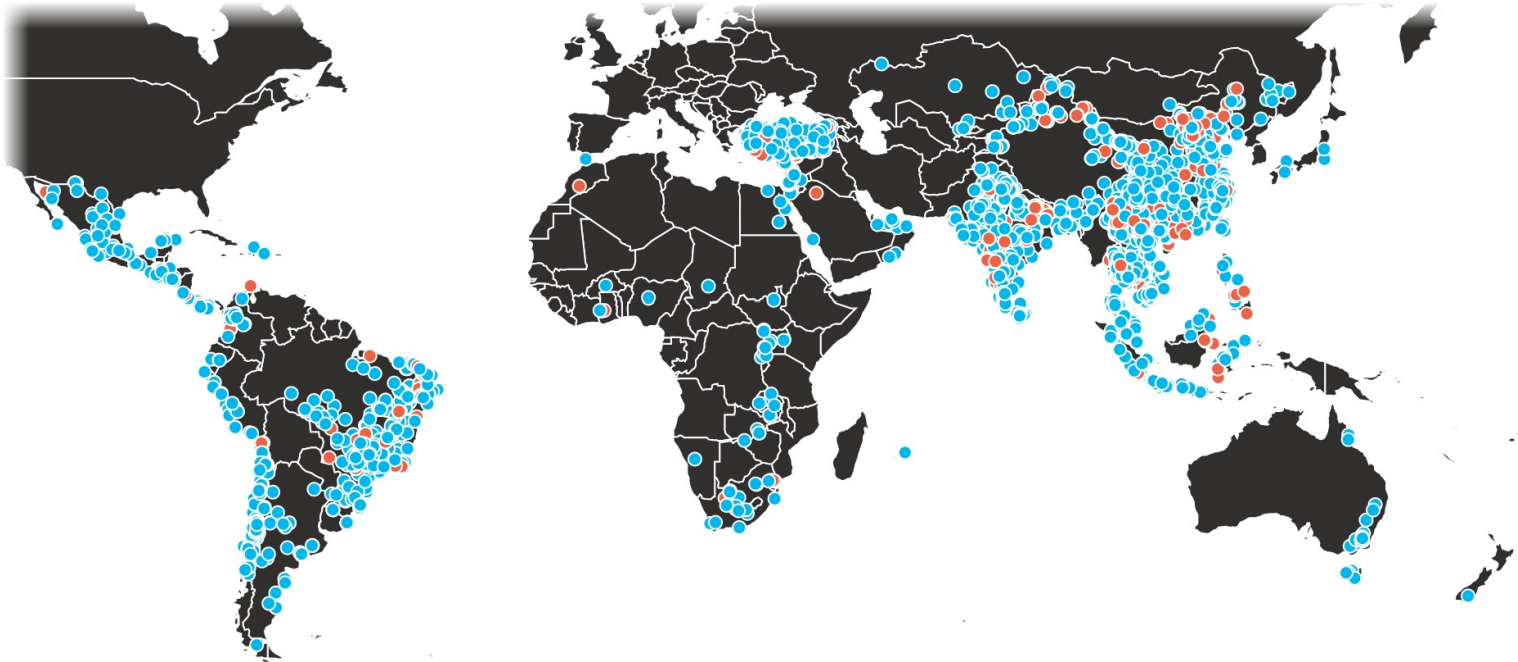


Supporting organisations in **over 140 countries**



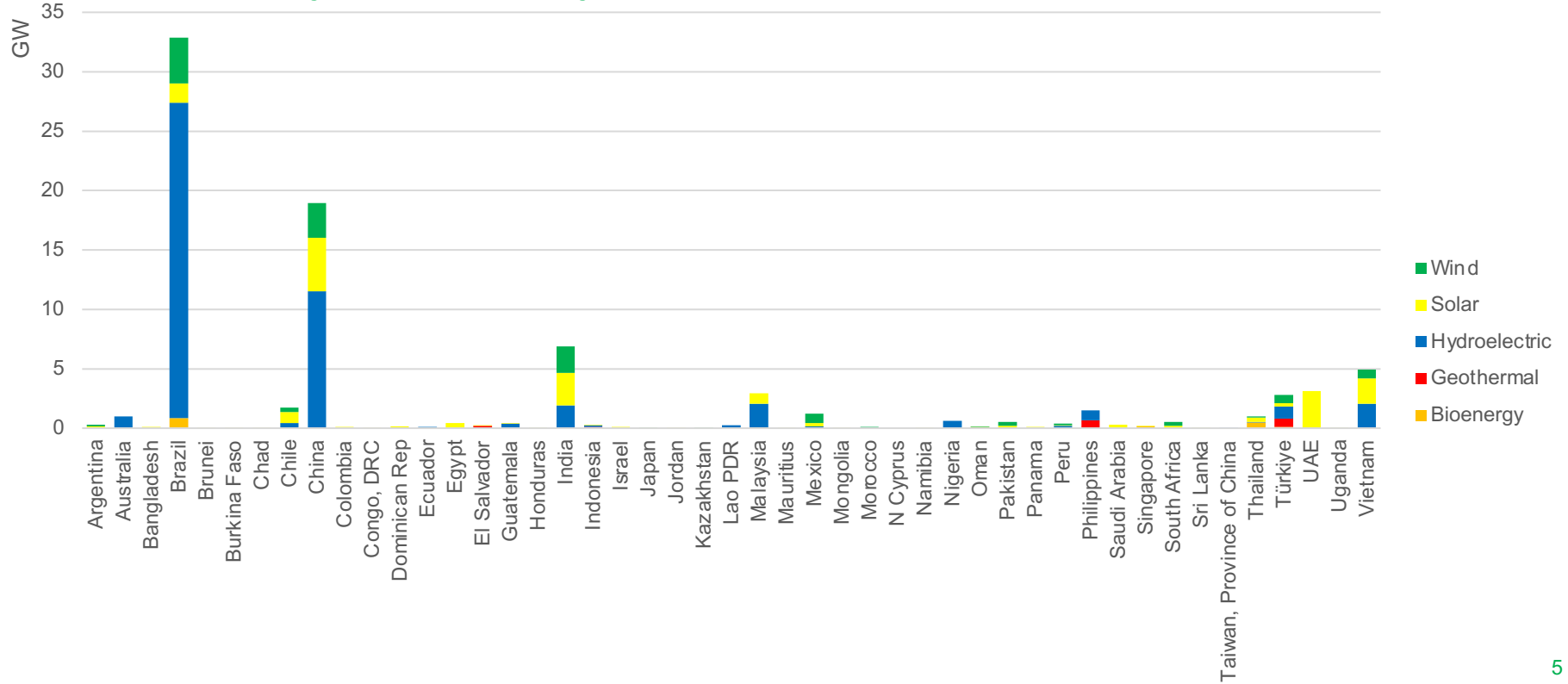
Over 6000 Registered I-REC Facilities

An increase of c.2500 over 2022



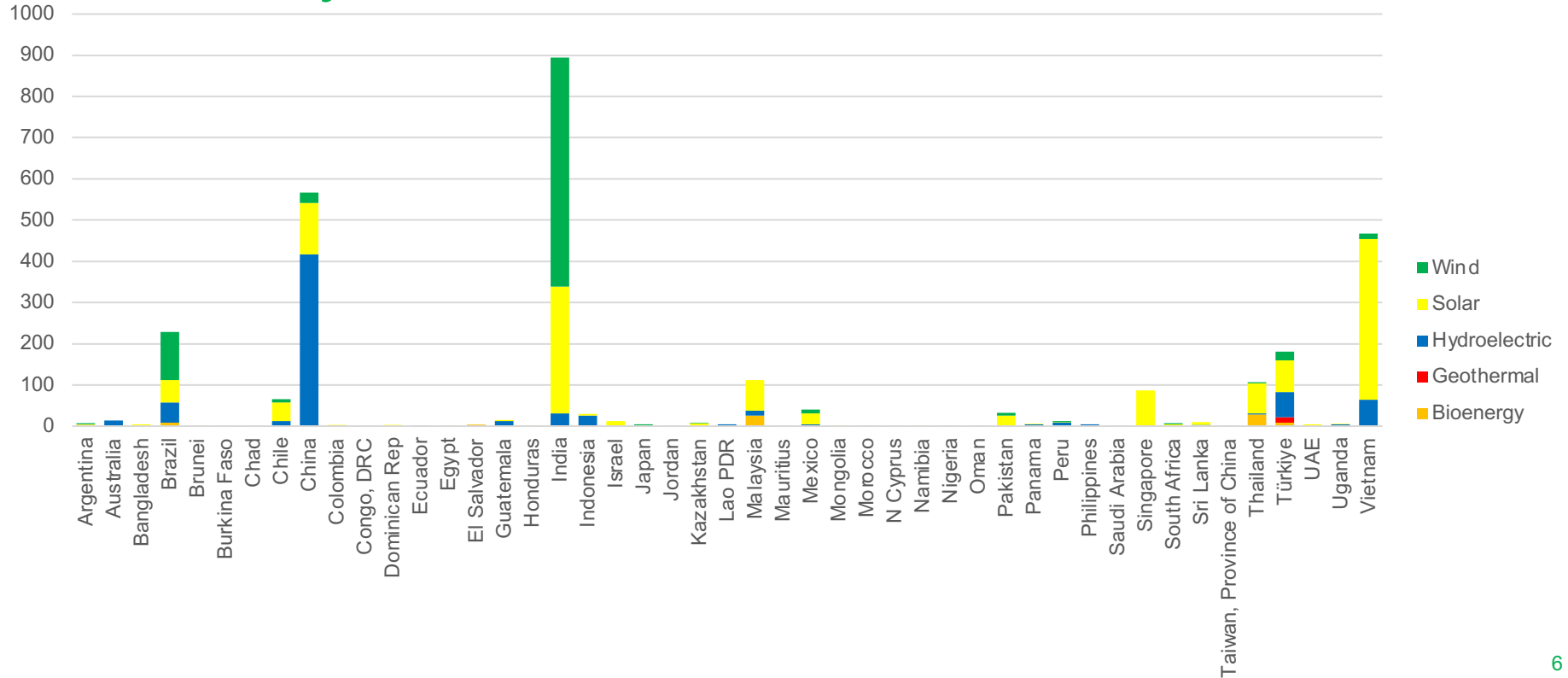


New Facility Capacity, 2023



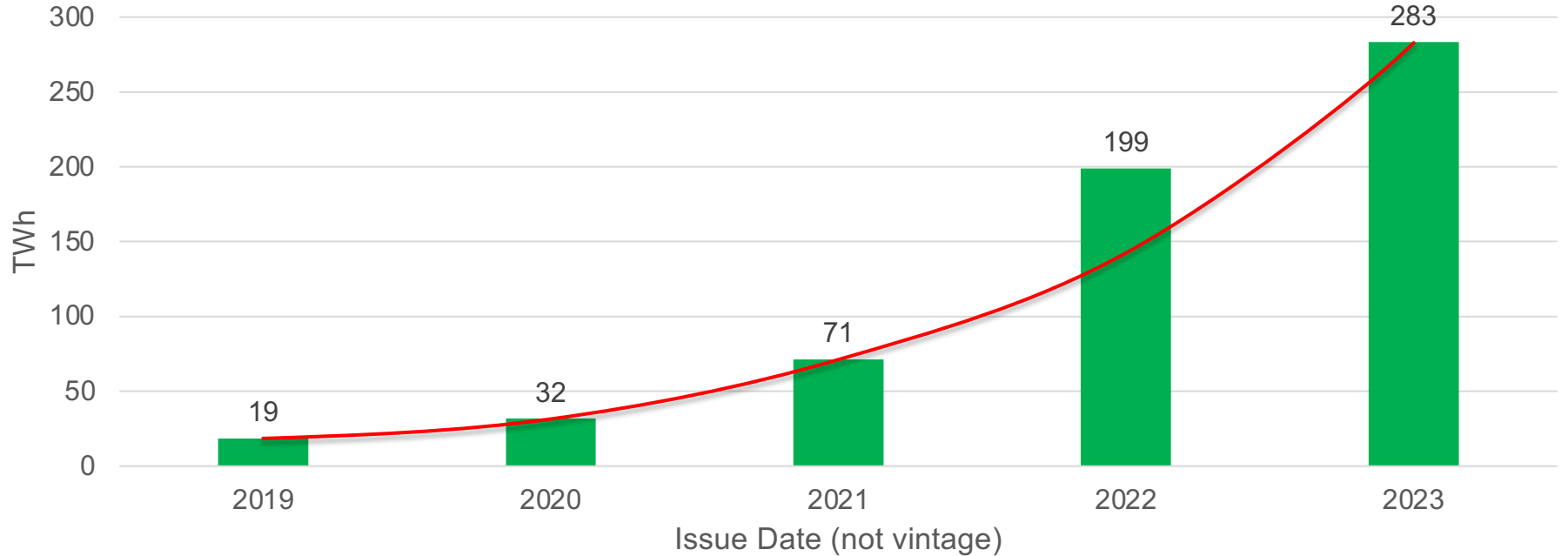


New Facility Count, 2023



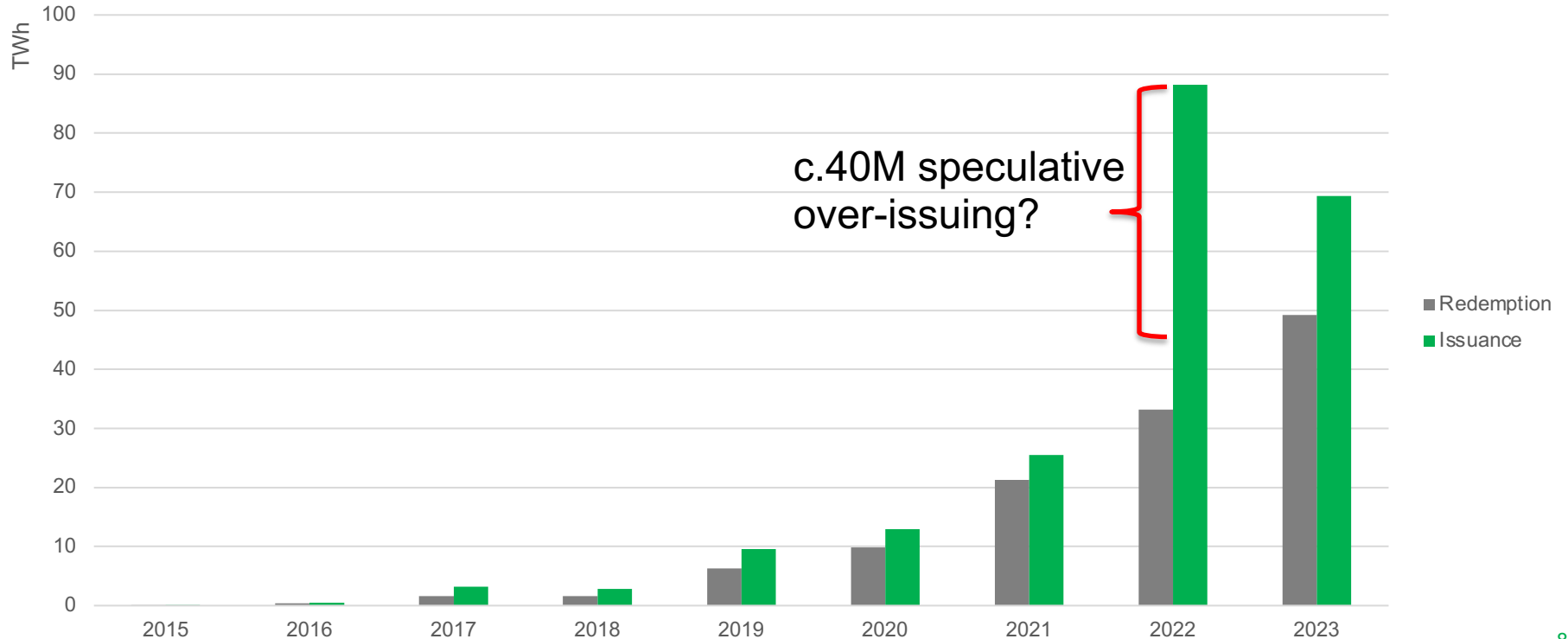


I-REC Issuing by Year (1TWh = 1 million certificates)



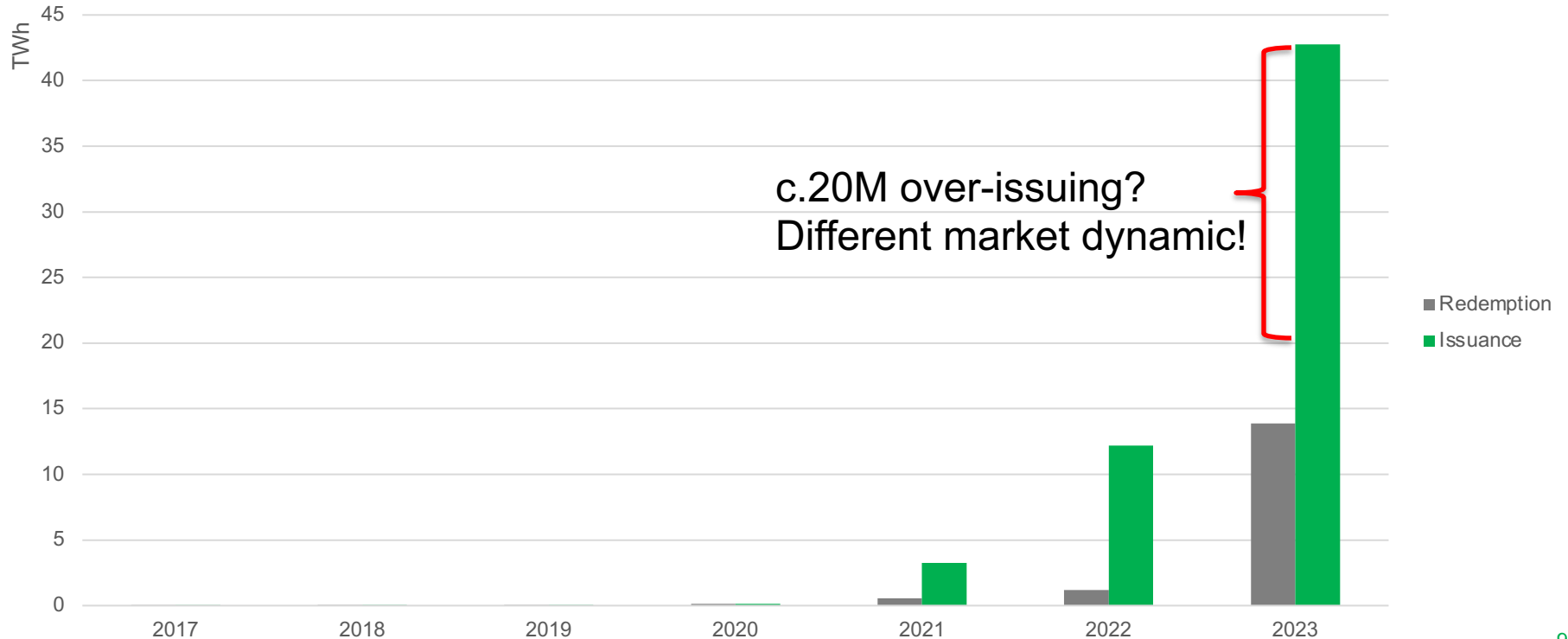


A 2022 Issuing Bubble in China?



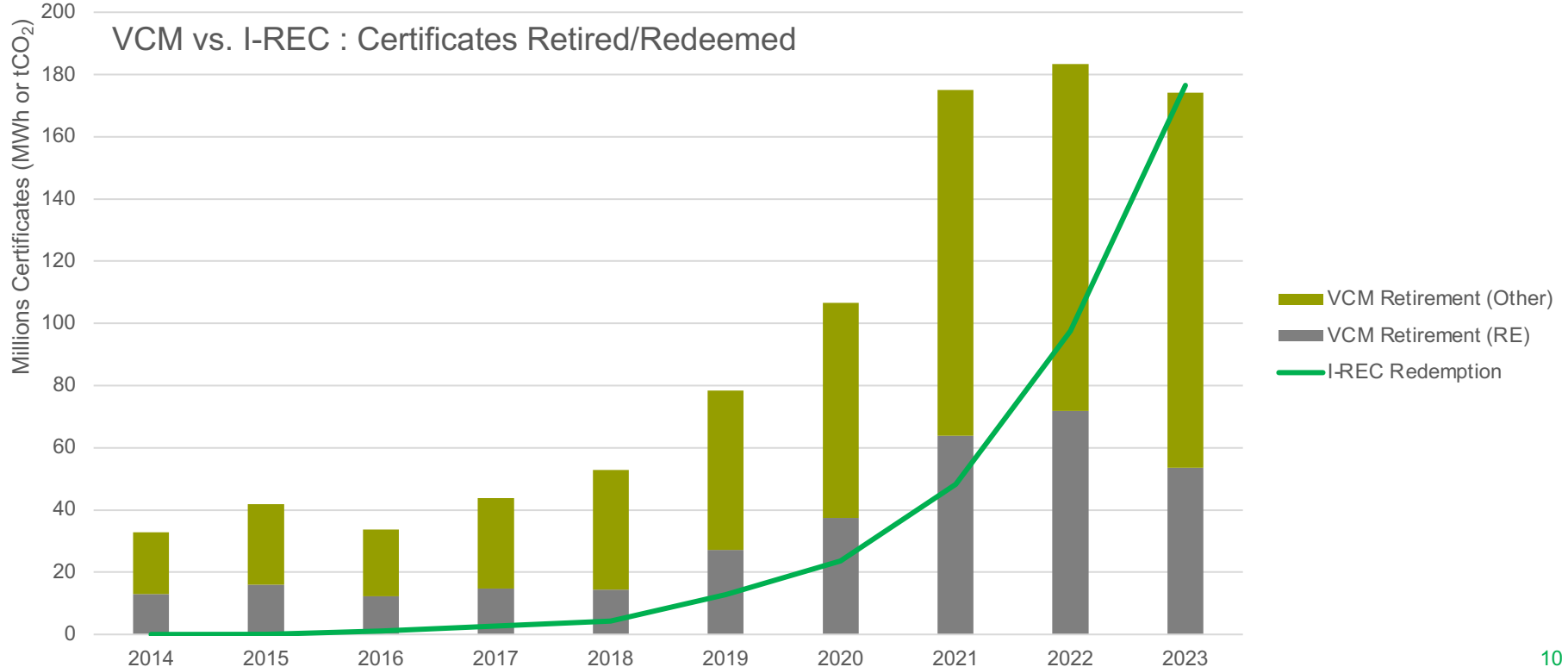


A 2023 Bubble in UAE?



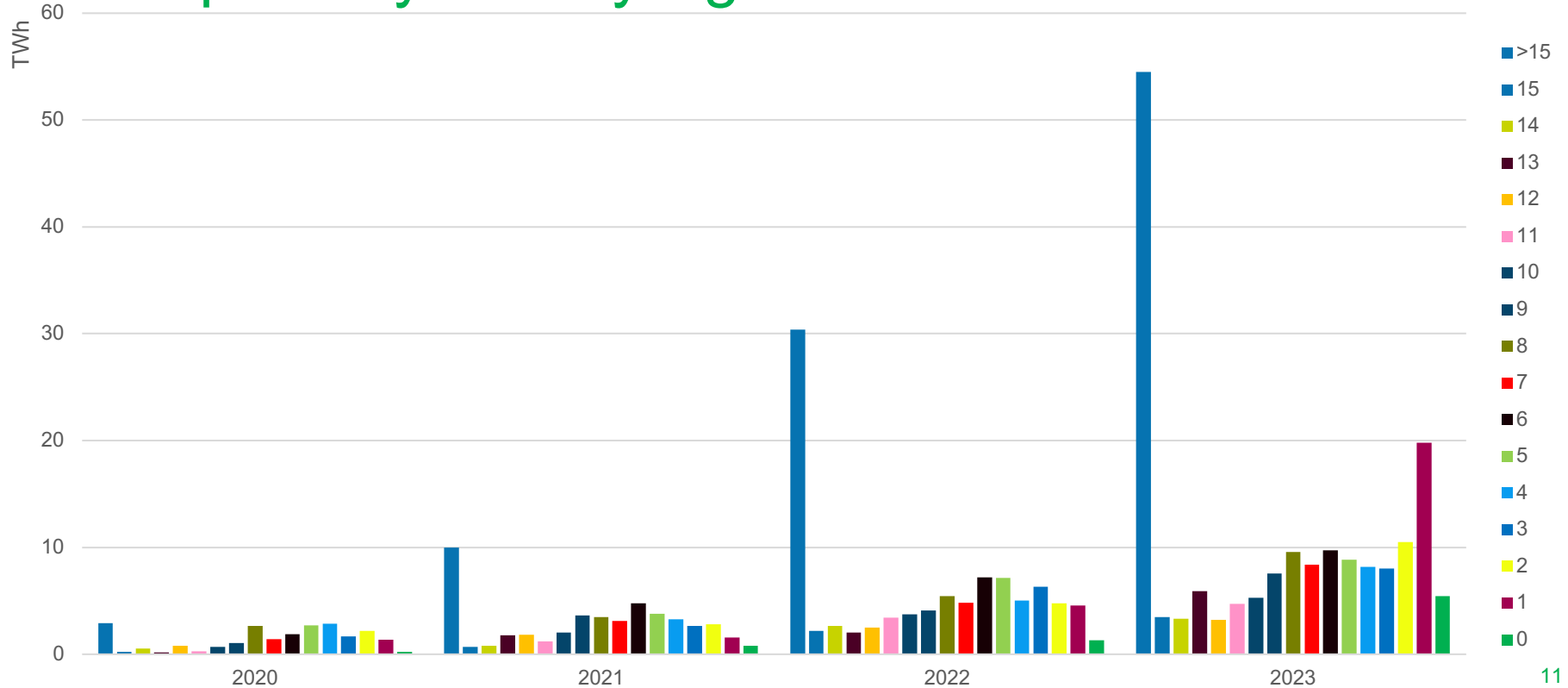


I-REC Outperforms VCM Market in 2023

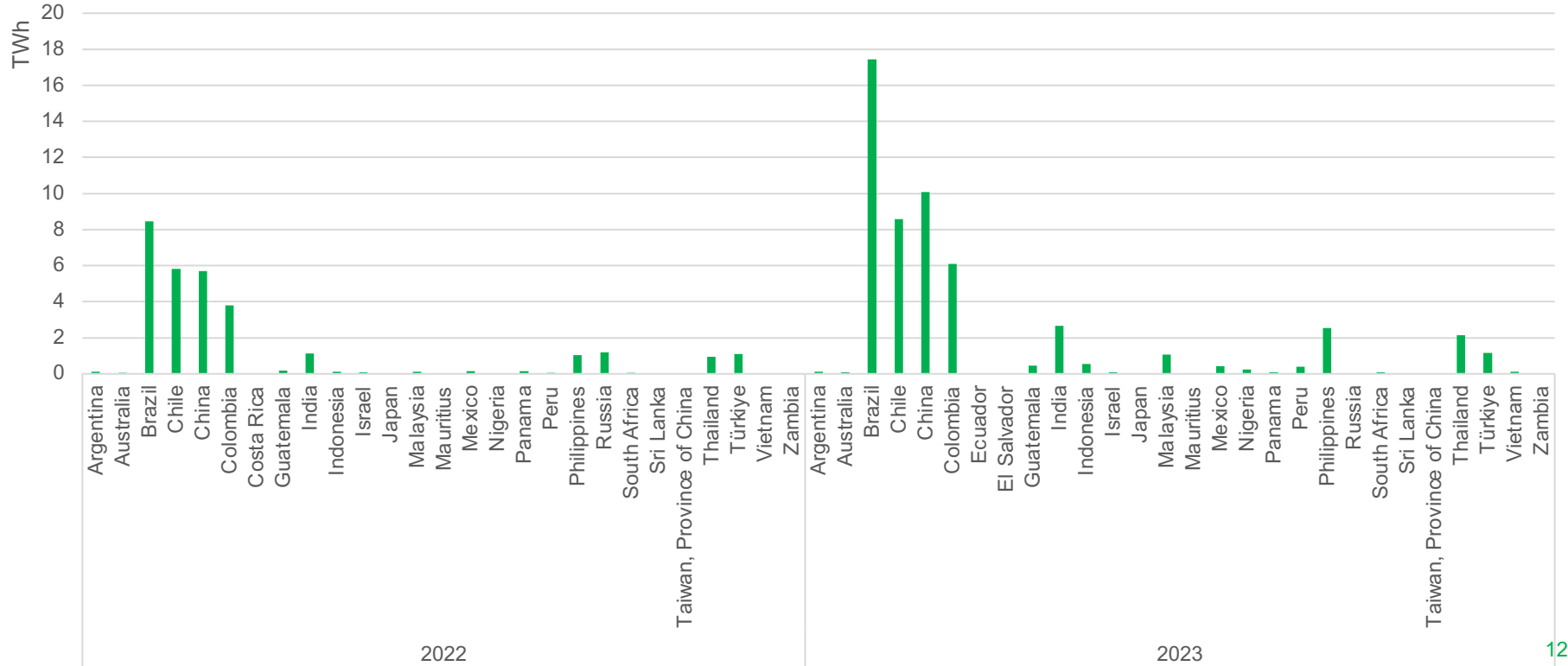




Redemption by Facility Age

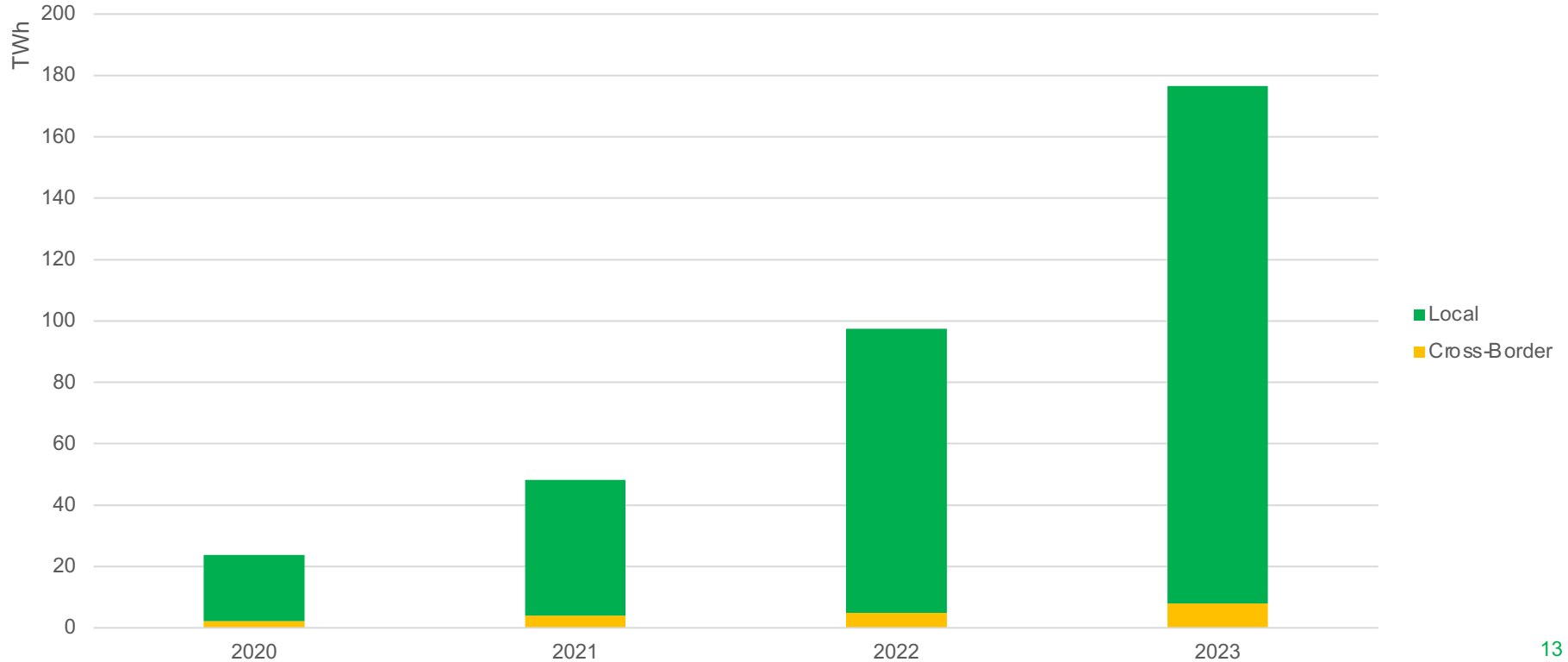


Redemption for Facilities Older than 15 Years





I-REC Cross-Border Redemption





Over 140 Cross-Border Destinations

- Unsurprisingly, Singapore is the largest demand point for cross-border I-REC
- Malaysia is second on the list, with Korea fourth
- Hong Kong is fifth, with the majority being sourced from China

- USA is third on the list, partially because of MNCs reporting to the head office
- However, a number of organisations are now procuring for **impact** in addition, or in preference, to local accounting
 - Example of impact procurement is through Energy Peace Partners

- Cross-border impact trade can provide funding into capital-constrained locations and could arguably have the quickest and cheapest impact on overall emissions



Anecdotal Demand Drivers

- More organisations pushing for supply-chain reporting
- Continued ratchet on progress toward RE100 targets
 - But RE100 rules are not a universal factor, particularly as many organisations are increasingly focussed on internal or national reporting requirements
 - Lack of RE100 cross-border recognition is being reported as a significant inhibitor for many potential projects, delaying or preventing new renewable energy capacity
- Loss of faith in credibility of carbon markets for renewable energy projects
 - Driven by increased focus on robust, fact-based, ex-poste EACs
- Greater focus on impact over pure accounting
- Demand for hourly certificates remains very small, but there is growing interest
- CBAM is creating significant interest, despite the rules not yet being clear



Thank you

