

What's New

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New Trends

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Crypto-currency miners are becoming a potentially lucrative outlet for some power suppliers. Bitcoin mined at a price of \$50,000 per bitcoin is equivalent to selling electricity for more than \$400 a MWh. There are three main business models. Most deals are in ERCOT. The typical PPA is five years at the local spot price, plus an adder. The miner enters into a hedge. Retail sale issues are a concern where the offtaker is a data center host.

Storage has moved quickly from requiring a contracted revenue stream to fully merchant financings. The first fully merchant deal should close this quarter. Portfolio financings are now commonplace, with default remedies limited to the one bad apple rather than the whole barrel. Utilities are asking to share in the upside if Congress enacts a tax credit for standalone storage.

EIA is projecting storage will account for 11% of new capacity additions this year. Tolling agreements are replacing the PPA model. If the "Build Back Better" bill dies, new IRS regulations making it easier to claim tax credits on solar and some other renewable energy projects that add storage could be out later this year.

There has been a stampede of interest in **carbon capture projects. The tax credits on a large factory run \$1.8 billion over 12 years. The projects are harder to do than appears. No tax equity deals have closed yet. The big rollups of ethanol and fertilizer plant emissions in the Midwest face the same challenges as trying to cook a complicated meal so that everything comes out of the oven at the same time.**

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