

INTERVIEW: Redeux Energy COO targeting ERCOT and WECC for expansion

10/10/2022 | Interview Origination | [Proprietary](#)

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[Redeux Energy](#) is pushing to expand its 2 GW solar-and-storage pipeline in the southeast, Texas, and in the Western Electricity Coordinating Council (WECC) market.

The bulk of its 2 GW portfolio distributed across the Midcontinent Independent System Operator (MISO), but positive tailwinds from the Inflation Reduction Act of 2022 has the Denver-based early-to-mid stage project developer readying a push into those territories, said Redeux's COO and co-founder Rob Masinter in an interview with NPM.

Recent forecasts which came out after the August passage of the bill predicts solar market deployment in the U.S. during the second half of the decade to have annual deployments of over 30 GW a year, growing to 40 GW a year.

"The only way that will happen is broadly geographically, not all in Texas and California," he said. "Even the RTO queues are clogged up right now. We're paying attention to market dynamics across the country and over time have projects in excess of 15 states but have to start expanding our geographic targeting beyond the seven or eight states where we are now and skate to where the puck is going."

Though he said he would rather not say specifically on where Redeux is likely to go at this juncture, he did hint at possibly expanding beyond Colorado into the WECC market and into the northern parts of the southeast.

In the WECC market, Redeux has one 100 MW project in Colorado, the details of which aren't public yet.

"Our ambitions are to multiply that significantly," he said, adding that Redeux entered the Colorado market in the summer. "Being a Denver-based developer, of course we would like to participate in the Colorado market. Colorado is a very progressive renewable energy market, but not an organized market like PJM or MISO."

Colorado's market is made up of regulated vertically integrated utilities that are their own balancing authorities. This includes Xcel Energy, which operates in the state as the Public Service Company of Colorado, and Tri-State Generation and Transmission. This means developers file project interconnection requests directly with the utility, making it more challenging since there is not a liquid wholesale market.

Masinter said that Tri-State and Xcel are "very forward leaning into renewables powering their supply stack," and that Redeux is working to understand where in that market opportunity it should identify as a potential point of interconnection. He added that interconnection requirements are straightforward in places like MISO, while Colorado poses unique decisions.

"We will be thoughtful on how we want to do that," he said.

In ERCOT, Masinter said he sees it as second to California and that it holds the potential of even moving ahead due to the most solar deployment of any state.

"ERCOT is an interesting market because it's an energy-only market and barriers to enter are very low," he said. "Understanding value of that market and where to develop is an art. There's a lot of value near the big urban load centers of Houston, Dallas, Austin, and San Antonio and serve those markets whether you're close to them or not and we are exploring those strategies."



He said that Redeux plans on building a “meaningful pipeline” in ERCOT that will be a mix of solar, standalone battery, and solar + storage.

In September, Redeux participated in MISO’s Definitive Planning Phase (DPP) Cycle for 2022, which is considered the onramp to interconnection for the ISO and often takes place once every 12 to 15 months.

“You either get in or you don’t,” he said, stating that Redeux arrived with six projects for MISO South. These projects added up to 1 GW of capacity, with another filing in MISO Central that brought the total capacity to 1.1 GW.

Considering that Redeux capitalized in December 2020 and started staffing in 1Q21, Masinter said he feels good with the company’s progress to have filed 1.1 GW of projects in September. The filings are a mix of solar and storage and are anticipated to be hybrid projects.

“Right as we were preparing the filings, the IRA came along and changed the thinking about how to work with storage,” Masinter said. “Prior to IRA, the only way to get a tax credit on storage was to pair it on solar and charge from solar. Now, rules have changed. Storage can be sited, whether co-located with solar or not and still claim the ITC.”

This led to Redeux filing its MISO projects in a way that allows the company optionality to wait for the guidance on some of the IRA implications to be clarified and decide from there how to site storage within that portfolio going forward.

He added that in Redeux’s growth plans, the company has an [agreement](#) with Farmland Partners. Farmland Partners has hundreds of thousands of acres across many states. Redeux has taken a look at their portfolio and decided to work in Arkansas and Mississippi because that coincides with the ambitions in MISO South. Some leases have been signed on these sites and are filed for interconnection in MISO South.

“We were pleased to get that done,” he said. “We like working with individual landowners and large corporate landowners, whether farming or forestry or cattle ranching outfits or brownfields. A lot of these multi-site corporate landowners are thinking about how to increase the value of their land and we engage in conversation with them about that.”

When asked if Redeux will be going out to raise capital for this growth, he said that they were fortunate to be backed by Cathexis Holdings, a single-member family office based in Houston, Texas. Additionally, Thoroughbred Holdings is an investor as well. However, he said he would not be able to comment further.

“We’re on a roll right now,” he said of Redeux’s overall momentum. “Our ambition is to considerably grow the 2 GW pipeline on an annual basis. We expect our annual additions will increase beyond that 2 GW over the next couple years as we scale up the team.”

He stated that Redeux is in a number of discussions with potential IPPs. Since Redeux is an early- and mid-stage project developer, it isn’t the company that will put steel in the ground. Rather, it will create “best-in-class development projects” and partner with IPPs seeking pipeline for the final stage of development.