

Renewable Aggregated Power Purchase Agreement (PPA) A UK first for the public sector!

INTRODUCTION : Onshore Wind PPA – A Case Study


Twenty TEC members are parties to an aggregated power purchase agreement (PPA) delivering renewable power, a first for public sector energy users in the UK. This was made possible by the energy expertise of the TEC team and the complex legal framework that has been developed over the last four years.

WHAT HAPPENED:

Twenty Member Institutions collaborated on the energy deal which commenced on 1st October 2019, to buy renewable energy directly from British windfarms and to lock-in a proportion of their power at a fixed price over a ten-year period. The foundations for the agreement were laid as far back as 2015, with legal drafting for the Flexible Electricity framework agreement enabling deals to be sourced directly with energy generators for longer term arrangements.

TEC facilitated the arrangement through their current framework energy partner (presently EDF Energy), with renewable British onshore wind power provided by Statkraft, the largest renewables generator in Europe and Squeaky Clean Energy, a 100% renewable supplier providing balancing services.

This deal is structured so the power from the wind farms contractually flows with the Renewable Energy Guarantees of Origin (REGOs) and meets the high standards demanded by TEC on behalf of our Members.



“ARU has joined with other universities and organisations across the UK in declaring a climate emergency, and we’ve increased our level of ambition aiming to become climate neutral by 2030. To support this commitment we aim to source all of our electricity from zero carbon sources by 2025, and this Power Purchase Agreement makes a significant contribution towards this goal whilst delivering financial savings and budget stability.”

James Rolfe
Chief Operating Officer at Anglia Ruskin University



THE RESULT:

The participants are guaranteed clean electricity with the windfarms producing a totally zero carbon energy product. As they have committed a proportion of their baseload this allows for flexibility in the future as they roll out self-generation assets onsite or as their estate energy profile changes.

The saving based on forward market estimates is £6m and they will have saved the equivalent carbon over the ten year term to powering three large towns or 23,000 student accommodation beds for a year.

“The corporate PPA market has long been touted as a means for larger organisations to procure renewable power and enable subsidy-free development. But to date, it has largely been the preserve of very large companies, requiring substantial commitments from buyers.

By acting together in a collaborative approach facilitated by the energy expertise here at TEC, these institutions, whether large or small, have been able to navigate a previously inaccessible market.”

Richard Murphy
Managing Director, TEC

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