

**RENEWABLE ELECTRICITY PROCUREMENT** is a process of sourcing renewable electricity directly from the electricity generator, third-party energy supplier or a local distribution company.



## BENEFITS OF RENEWABLE ELECTRICITY PROCUREMENT:

- Contributes to **reducing Scope 2 emissions** and meeting **sustainability targets\***.
- Helps to ensure **long-term cost affordability** and visibility.
- Demonstrates **leadership on climate change** to internal and external stakeholders.
- Stimulates development of renewable energy technologies and can drive collective changes in **renewable energy supply**.

# RE100

## CLIMATE GROUP

- The global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity.



### RE100 TECHNICAL CRITERIA:

Renewable electricity sources				
Wind	Solar	Geothermal	Sustainable sources biomass (incl. biogas)	Sustainable hydropower
Recognized procurement types				
Direct procurement	Physical power purchase agreement (PPA)			
	Virtual power purchase agreement (VPPA)			
Contracts with energy suppliers	Project-specific supply contract with electricity supplier			
	Retail supply contract with electricity supplier			
Unbundled procurement of energy attribute certificates (EACs)				
Default renewable energy delivered from the grid (supported by EACs)				
Default grid-delivered renewable electricity in a market with 95% renewable electricity and no allocation mechanism				
Requirements for procurement				
Credibility of claims:	Credible generation data			
	Attribute generation			
	Exclusive ownership and claims of attributes			
	Geographic market limitations of claims			
Impact in procurement of renewable electricity	Vintage limitations of claims			
	Purchasing from new projects			
	Long-term, direct, or project-specific contracts			
	Commissioning or re-powering date limit			
Additional provisions				
Organizational boundaries for electricity consumption				
Material consumption of energy				
Third-party verification of consumption of renewable energy				

\*CDP Technical Note: Accounting of Scope 2 emissions.

# Renewable energy procurement leadership dimensions & actions to take

## Actions to take:



- ▼ **Conscious and intentional** decision of renewable energy sourcing.
- ▼ Set **ambitious renewable energy targets** including interim.



- ▼ Set a **public and measurable goal** with an ambition to source 100% renewable energy.
- ▼ Set **near-term (3-5 years) interim targets** for renewable energy procurement.



- ▼ Focus on **high-impact procurement methods**.
- ▼ Work with policymakers, and regulators to **remove barriers** where renewable energy sourcing is limited.



Choose **active energy procurement methods**, especially:

- ▼ **Physical power purchase agreement (physical PPA)** with a grid-connected generator.
- ▼ **Financial (virtual) power purchase agreement (VPPA)**.
- ▼ **Purchase from an on-site installation owned by a third party (on-site PPA)**.
- ▼ **Direct line to an off-site generator** owned by a third party with no grid transfers (**direct line PPA**).



- ▼ Active and **deliberate choice** to source renewable energy.
- ▼ Set ambitious **renewable energy targets** including interim.



- ▼ Engage with **utility providers and policymakers** to set national targets and support the scaling of renewables.
- ▼ Join platforms such as **RE100**, **RE-Source**, and **CEBA**.
- ▼ Help **suppliers to set renewable** electricity targets.



- ▼ Adopting a **holistic sustainable approach** to energy procurement strategy.



- ▼ Ensure **quality assurance** of the new project development.
- ▼ Purchase from installations subject to **environmental and social impact assessment**.



- ▼ Being **transparent** about internal and external constraints.
- ▼ Publicly **disclosing energy** emission data.



- ▼ Communicate challenges and barriers in renewable electricity sourcing.
- ▼ **Publicly disclose renewable energy targets and data through CDP Questionnaire.**



## CDP Climate Change questionnaire

- ▼ **C8.2a.** Report your organization's energy consumption totals (excluding feedstocks) in MWh.
- ▼ **C8.2d.** Provide details on the electricity, heat, steam and cooling your organization has generated and consumed in the reporting year.
- ▼ **C8.2e.** Provide details on the electric heat, steam and cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in C6.3.
- ▼ **C8.2g.** Provide a breakdown of your non-fuel energy consumption by country.

## RE100 members' questions

- ▼ **C8.2h.** Provide details of your organization's renewable electricity purchases in the reporting year by country/area.
- ▼ **C8.2i.** Provide details of your organization's low-carbon heat, steam, and cooling purchases in the reporting year by country/area.
- ▼ **C8.2j.** Provide details of your organization's renewable electricity generation by country/area in the reporting year.
- ▼ **C8.2k.** Describe how your organization's renewable electricity sourcing strategy directly or indirectly contributes to bringing new capacity into the grid in the countries/areas in which you operate.
- ▼ **C8.2l.** In the reporting year, has your organization faced any challenges in sourcing renewable electricity?
- ▼ **C8.2m.** Provide details of the country/area-specific challenges to sourcing renewable electricity faced by your organization in the reporting year.

## Best practices:

The renewable share of the total energy consumption to be **99% or more**.

To source **25% or more renewable energy from the following sourcing methods:**

1. Physical power purchase agreement (physical PPA) with a grid-connected generator.
2. Financial (virtual) power purchase agreement (VPPA).
3. Purchase from an on-site installation owned by a third party (on-site PPA).
4. Direct line to an off-site generator owned by a third party with no grid transfers (direct line PPA).

To **provide a commissioning year of the energy generation facilities** from which the energy consumed accounts for more than 50% of total low-carbon energy consumption.



- ✓ Ensures transparency about the source of electricity generation.
- ✓ Supports renewable electricity technology expansion.
- ✓ Long-term commitment to renewable electricity procurement.
- ✓ Contributes renewable electricity capacity to the grid.
- ✓ Provides transparency about facility efficiency.
- ✓ Informs decision making.
- ✓ Supports development of and transition to new renewable electricity generation facilities.