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Sustainable Solutions for Your Business

Integrating green energy and renewable strategies to help meet corporate sustainability goals



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One of the underlying goals in corporate sustainability strategies is to lower carbon emissions. As a result, companies throughout the US are utilizing multiple renewable energy solutions and strategies to address them. For example, on January 15th, 2020 PepsiCo announced they plan to invest in renewable solutions to help achieve 100% renewable energy for its US direct operations by targeting a portfolio mix of Renewable Energy Credits (RECs), Power Purchase Agreements (PPAs), Virtual Power Purchase Agreements (VPPAs) and on-site solar, companies like Google, Microsoft and Amazon have also previously announced such strategies to achieve their corporate sustainability goals.

“As an industry leader, we have a responsibility to help spur the use of renewable energy in the US, while encouraging the kind of systemic change that can build a more sustainable food system. This is another step forward in that journey.”

Simon Lowden
Chief Sustainability Officer, PepsiCo.

PPAs or VPPAs are contracts between energy buyers and developers of renewable energy projects that have yet to be built. In the contract, the buyer guarantees that the developer will receive a fixed price for their energy, and in exchange, the buyer receives renewable energy credits (RECs) for every megawatt-hour of clean energy that is generated and sold. VPPAs have similar characteristics of a PPA, however, the VPPA does not provide direct title of the physical energy to the corporation’s energy account. Rather, this renewable energy asset is developed off-site or outside of the corporation’s facilities boundaries. Both types of contracts are typically 15-20 years in length and usually require long-term financing that could easily exceed \$50-\$100 million dollars.

On-site solar generation, a common easily understood way to procure renewable energy involves installing equipment to generate renewable energy at the location where it is consumed. Depending on the size and scope of a project it may require a lot of capital as well as large parcels of land, large amount of rooftop coverage or a big parking lot area if carports are being considered.

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<https://www.smart-energy.com/industry-sectors/business-finance-regulation/pepsico-announces-2020-renewables-only-goal-for-us-operations/>

Sustainable Solutions for Your Business

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As more and more companies begin to formulate their short and long-term sustainability goals many are realizing it may be difficult to achieve or implement one of those strategies and are looking for alternative solutions, including looking at their energy supply options. The retail and wholesale marketplace has developed innovative options and solutions that are transforming traditional energy procurement methods by integrating renewable energy into their portfolio. For example, corporations can now incorporate into their energy supply contracts the purchase of various types of Renewable Energy Credits (RECs) and/or specific renewable energy projects to boost their corporate sustainability strategies.

The purchase of RECs is not equivalent to buying electricity, however, RECs represent the clean energy attributes of renewable energy. RECs enable individuals and businesses to reduce the environmental impact of their energy use and support renewable energy projects. RECs can be sourced from renewable energy projects that matter to them based on generation type, region of origin, and cost basis. Once purchased, they can be integrated directly into retail and wholesale energy supply contracts.

Another innovative solution being developed in the marketplace for organizations targeting a more robust renewable option that is gaining momentum is the integration of PPAs or VPPAs into retail and wholesale energy supply contracts. This type of integrated solution allows a corporation to take title of both the RECs and the physical energy output enabling them to procure renewable energy from an offsite renewable resource cost-effectively with much shorter terms as traditional PPAs.

Most businesses and individuals are concerned with the impact they have on the environment. There are many paths one could take to try and address this. The integration of the renewable energy certificates and/or renewable energy projects is one that is allowing businesses and individuals the ability to offset their greenhouse gas emissions, reduce their carbon footprint and help support the claim that they are supporting clean energy.



“The other arm of Concord is our energy agent on all our renewable energy procurements. They assisted us with procuring 100 percent renewable energy for municipal facilities. And they are currently helping us develop our renewable energy purchasing program for residents.”

Jennifer Gonzalez
Director of Environmental Services
and Chief Sustainability Office

https://concord-engineering.com/pdf/Business%20View%20Magazine_Hoboken%20Profile.pdf