



Corporate Power Purchase Agreements for Real Estate



What is it?

A Corporate Power Purchase Agreement (CPPA) is an innovative way in which to procure UK Renewable Power.

It is a leading approach in building a net-zero road map as it links you directly with the power your property needs to operate. The CPPA can work alongside your current power supply agreement, allowing you to buy proportion of your annual electricity directly from renewable generators in the UK.

Corporate PPAs have been around for over 10 years and are now a widely accepted way of procuring clean energy. Until now only large energy consumers could access CPPA's due to the complexity of arrangements and contracts. Companies such as Sainsburys, McDonalds, HSBC, Vodafone, Google and Microsoft have led the way.

BUT... Low Carbon Alliance is giving mid-size consumers access to club PPA buying power, which will suit Landlords and their diverse portfolios.

Background

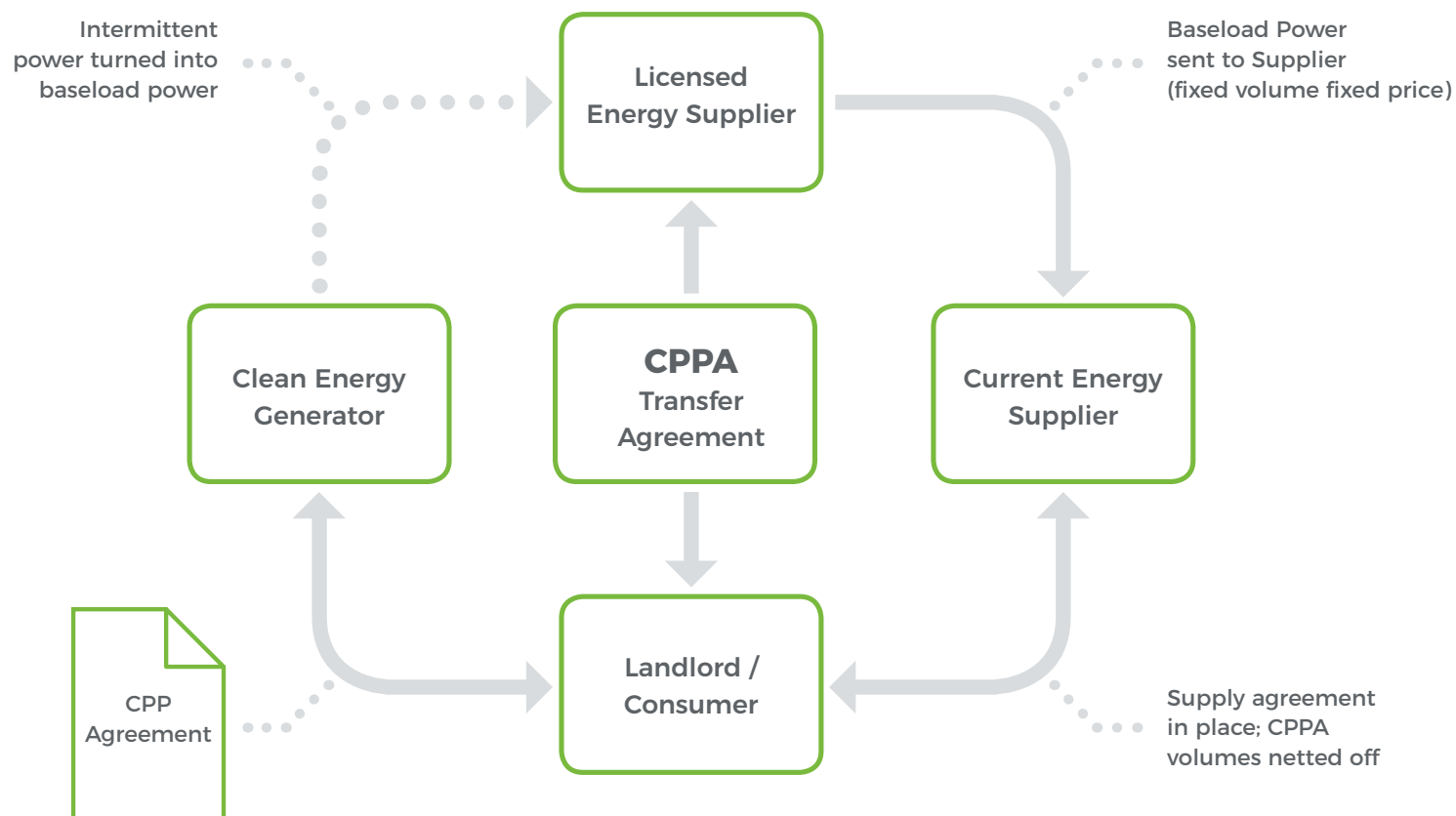
Electricity generation mix was historically heavily in favour of centralised coal, nuclear and gas. However, since 2000 there have been growing proportion of decentralised renewable energy plants providing energy from wind, solar, biomass and hydro. There are now thousands of electricity generators supplying power to the grid. Suppliers offer tariffs based on the source of generation, Brown (Fossil), Blue (Nuclear), Green (low carbon / renewable).

CPPA enables the consumer to directly trace the power purchased to their actual renewable energy generation plant.



How a CPPA works?

A Corporate Power Purchase Agreement is a **medium to long-term** contract to **buy electricity directly** from the renewable energy plant.



What are the benefits of renewable CPPAs for Landlords & Tenants?

Cost Savings – CPPAs pricing is below actual and forecast power prices leading to significant savings over the life of the contract.

Risk Management – Choosing a CPPA provides a sensible hedge for a proportion of your yearly electricity consumption against long-term forecast increases in power prices so lowering your exposure to volatile energy markets.

Flexibility – CPPA's can be transferred to new owners and property assets can opt in or out at any time.

Investor Relations – Having a CPPA enables Landlords to demonstrate that they are buying their energy directly from a renewable UK power source.

ESG – A CPPA offers the ability to buy clean energy through a transparent mechanism. The proof of the origin comes via a REGO* certificate produced for each unit of power purchased. The certificate is then retired, so cannot be re-used.

Tenant Support – The CPPA enables Landlords to support their tenants net zero ambitions.

Established Contractual Framework – Simplified contract structure is proven and can be executed efficiently.

Summary

A CPPA provides the Purchaser cost competitive, inflation hedging electricity supply contract with an auditable account of the zero emission environmental credentials of the source of power that is being acquired for their portfolios and tenants.

*The Renewable Energy Guarantees of Origin (REGO) scheme provides transparency to consumers about the proportion of electricity that suppliers source from renewable generation.





Low Carbon Alliance – Company Profile

Low Carbon Alliance (LCA) are a UK based Property and Engineering business focused on the application of low and zero carbon strategies to land and property.

The CPPA for real-estate initiative forms part of the LCA Net Zero Toolkit. The tool kit supports property investors identify strategies to reduce carbon emissions from their portfolios. From reducing energy waste, delivering energy efficiency measures and on-site generation of renewable electricity and heat.

Serving the energy and property sector in both an advisory and executive capacity, LCA bring vast knowledge and practical experience in carbon emission reduction consultancy services including Project Development, Project Planning, Project Finance, Project Management and Asset Optimisation.

The team at LCA is led by **Simon Crowe MRICS** and **Kieran Crowe MCIBSE**.

Simon has been a Chartered Surveyor for over 20 years and founded LCA in 2010. Simon is experienced in developing renewable energy projects and advising on financial appraisals, legal structures, permitting and planning. Working with some of the largest renewable energy developers in the UK such as Lightsource, Belectric and INRG.

Kieran is a Mechanical and Electrical engineer with over 24 years of design experience. In the past 8 years, he has worked exclusively in property management consultancy and applies his experience to advise landowners and landlords on sustainable energy projects such as solar PV, ground source and air source heat pumps. He also advises on energy strategy for large estates including a wide range of low-carbon and renewable electricity and heating projects.



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