

Renewable Energy Matchmaking: Newest Key to Reaching 2020 Sustainability Goals

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The siren call of 2020 corporate environmental sustainability goals is quickly getting louder, as corporate leaders realize they must go further today to achieve their sustainability targets for tomorrow. Increased use of renewable energy is an ambitious goal for some of the world's largest companies, as 59 percent of the Fortune 100 and nearly two-thirds of the Global 100 have set GHG emissions reduction commitments, renewable energy commitments or both, according to a recent Ceres' report, *Power Forward: Why the World's Largest Companies Are Investing in Renewable Energy*. One global consumer products company, for example, plans to derive 30 percent of its energy from clean sources by 2020.

As corporations look for both environmentally and economically sustainable ways to reach their 2020 CSR goals by taking advantage of "low cost/no cost" efficiency options, a compelling solution is renewable energy "matchmaking."

The opportunity: Many corporations are interested in generating energy from renewable sources in their buildings, particularly through solar panels and other forms of onsite distributed generation. But this requires a high level of expertise and investment that makes overcoming return-on-investment hurdles challenging at best.

The solution: A third party acts as a matchmaker for a corporation by understanding its carbon goals, operations and deal structuring needs, then connecting it with the sources of technology and capital required to make renewable energy generation a reality. The outcome is a regional or global program that delivers solutions in the context of [renewable energy strategies](#) that offer financial flexibility and minimal risk.

How Does It Work?

In the matchmaker model, a renewable energy services consultant understands the needs of its corporate client and each of its unique sites, then assesses appropriate technologies and providers, helps select vendors, supports negotiations of agreements and can manage the ongoing relationship with the energy provider (including post-implementation monitoring of annual energy plans).

Aside from the convenience of having a partner to count on to manage every detail, these matchmaking services can be obtained at no cost or risk to the corporation. The renewable energy provider, not the corporation, pays the matchmaker a transparent facilitation fee.

The third-party energy provider also makes the capital investments required, such as installation of solar panels, and only charges for the power bought by the client via a Power Purchase Agreement (PPA). Typically, the corporate client is obligated enter into a PPA *only* if the cost is equal to or less than the cost of its current energy rates. In short, if the deal can't breakeven cost-wise, or if the technology doesn't perform, the company doesn't pay.

An Industrial Idea Goes Mainstream

While renewable power generation is a familiar strategy for many industrial companies, most businesses simply do not have the bandwidth or support to implement their strategies in a programmatic manner. Keeping up with the ever-changing renewable energy technology landscape, not to mention the rapidly changing incentive programs, is a job in itself, as is the long-term task of screening and establishing cost-effective relationships with reputable providers.

To develop a renewable energy project at the site level, companies must have an understanding of:

1. Municipal, state and federal tax credits/incentives;

2. Which permits and regulatory requirements multiple government agencies will impose;
3. Sophisticated energy deal structures; and
4. The market knowledge and experience needed to negotiate a PPA with the energy vendor.

While appearing daunting, these are all skills the matchmaker will provide.

A renewable energy matchmaker will also assess all of the site's relevant power-generation issues, including:

- What mix of solar, wind, biomass, geothermal or hydro power will be most effective for the company's specific operational needs and regional capability? One facility may be best served by rooftop solar panels, while another could be more suitable for a wind turbine.
- Is cogeneration an option? Cogeneration can produce less than half the carbon of traditional power generation—but a detailed energy audit could reveal that the cons outweigh the pros.
- Could ground-source heat pumps be installed to utilize the earth's temperature to heat and cool specific buildings without chillers or boilers?
- Does the company produce enough waste to economically justify powering a waste-to-energy gasifier or anaerobic digester to produce biogas?
- Would integrating multiple renewable energy solutions, such as generation and storage, help the company achieve the greater savings than generation solely?
- Could the company create an energy district or microgrid for some of its facilities and take advantage of economies of scale?

The answers to these questions pay off when you consider, for example, that onsite solar clients in states like Connecticut and California can now save an average of \$.02 per kilowatt hour.

Onsite Opportunity Abounds

From an Ivy League's East Coast campus to a multinational manufacturer's Puerto Rico facility, renewable energy matchmaking is taking off around the world. Recently, for example, JLL helped a major company achieve its greenhouse gas savings goals by developing a solar program that started with screening more than 400 different sites, managing a request-for-proposal process that vetted about 20 prescreened bidders that will result in PPAs delivering about 73 megawatts of clean power across roughly 150 properties.

By working with an expert matchmaking service with global reach, a company gains the advantage of a turnkey sustainability solution. The partnership enhances corporate energy efficiency programs, provides a hedge against rising utility costs, and can help achieve sustainability goals—all typically without capital investment or operating risk. Now that's a match worth making.