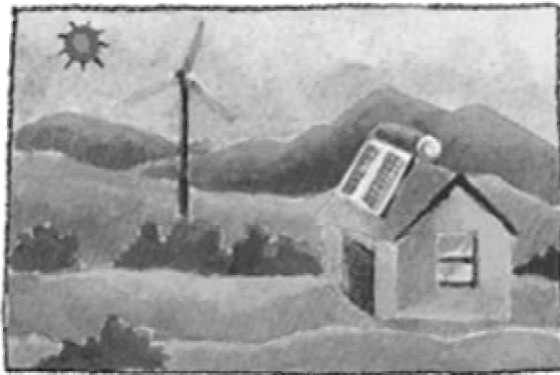


# GREEN POWER PROCUREMENT



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# Why would a local authority want to buy/use green electricity?

- Positive impact on the environment.
- (Often) saving money.
- Set example for citizens and local companies.
- Show environmental commitment.

# The legal/political framework for green electricity

- The **Kyoto Protocol** and national/local emissions reduction commitments.
- The **EU Renewables Directive (2001/77)** setting a target of 22% of electricity produced from RES by 2010.
- **Renewable Energy Guarantee of Origin (REGO)** set by Dir. 2001/77, active as of Oct. 27<sup>th</sup> 2003.

# The legal/political framework for green electricity (cont.)

- European **electricity market fully liberalized** by July 2004 (for commercial customers).
- Many **local** authorities have set their own **Renewables Portfolio standards and targets**.
- The **European Court of Justice (ECJ)** ruled in 2002 that local authorities are free to tie the award of contracts to environmental criteria (C-513/99).

# The potential for green power procurement

- European public administrations can save greenhouse gas emissions accounting to 18% of EU's Kyoto obligations just by switching to renewable electricity.
- Environmental relief through public eco-procurement in the EU: 60 mil tons of CO<sub>2</sub>.
- Corresponding person equivalents: 7.5 million citizens.

# Leading the way -1

- **Rotterdam:** all the public buildings, like the town hall, the libraries, the trams and underground railways, schools and even the harbor in Rotterdam are supplied 100% with green energy. Rotterdam is the largest green energy consumer in the Netherlands and even the third consumer throughout Europe.

# Leading the way -2

- **Province of Utrecht:** over 60% of power consumption comes from renewables.
- **Leicester:** about a third of the authority's total electricity requirement covered by sustainable sources (i.e. RES not including waste incineration).
- **Bristol:** 15% of the Council's energy from renewable sources by 2010.

# Leading the way -3

- **Santa Monica, California:** 100% of its electricity covered by geothermal energy.
- **Los Angeles:** committed to purchasing 14% of the government's electricity from RES.
- **New Jersey:** purchases 12% of electricity for state facilities from RES.
- **Chicago:** 10% of electricity needs covered by RES, increasing to 20% by 2006.
- State agencies in **New York** will obtain 10% of their electricity from green sources.

# Potential bottlenecks

- RES power often offered in premium tariffs.
- Energy managers do not have a mandate to include RES in their energy portfolio.
- Conventional energy prices extremely low (also not incorporating external costs).
- Pricing structures: grid access, fair transmission & distribution charges, etc.

# Options for Green Electricity -1

- **Retail from grid.**
  - in a *competitive electricity market* from the local electricity grid,
  - from a *regulated utility* that offers renewable electricity from the local power grid (green pricing programs), or,
  - when these two options are not available, through *renewable electricity certificates*.

# Options for Green Electricity -2

- **On-site generation.**

Advantages:

- *Peak-shaving*

- *Back-up*

- *Uninterruptible power supply (UPS)*

Funding for RES systems can be secured either by leasing or through an Energy Services Company (ESCO).

# A local authorities renewables manifesto

*The General Assembly of the **Climate Alliance of European Cities**, held on 17 June 2003 in Berlin, Germany, recommends to its members the following measures for implementation of environmentally sound local authority procurement in the energy sector:*

1. Member municipalities will seek, within the scope of their statutory and contractual options, to use a high proportion of green electricity in the activities over which they have control. This proportion shall be increased at every available opportunity (when contracts are extended etc.).

# A local authorities renewables manifesto (cont.)

2. Member municipalities will seek, within the scope of their statutory and contractual options, to use no nuclear power in the activities over which they have control (as a specification in calls for tenders).
3. Member municipalities will seek, within the scope of their statutory and contractual options, to use above all renewable energy sources or heat from CHP (combined heat and power) facilities for space heat in activities over which they have control.

# A local authorities renewables manifesto (cont.)

4. Member municipalities will seek, within the scope of their statutory and contractual options, to reduce emissions in activities over which they have control, by means of innovative energy services based on renewable energy sources or CHP and by means of procuring energy-efficient equipment and applications.

# Contact

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