



# Renewable Energy Procurement

## *Merging sustainability policies and business objectives*

Organizations are constantly challenged to improve: consume fewer resources while increasing efficiency, operate in a socially responsible manner, while reducing costs all at the same time. Renewable energy is becoming a major factor in attaining all three objectives. In fact, renewable energy sources are expected to make up 25 percent of total energy generation by 2030.<sup>1</sup>

At Trane, we provide turnkey renewable energy solutions, including procurement. Our holistic

approach takes many factors into consideration including usage scenarios, current utility rates, future energy price projections, geographical constraints, production considerations, as well as your interest in gaining additionality credit for creating a new renewable source. Ultimately, our expertise will help ensure that the procurement options you select integrate seamlessly into your overall energy plan.

<sup>1</sup> U.S. Energy Information Administration, Annual Energy Outlook, 2017

## Let our knowledge become your advantage

Trane can help you weigh the costs, requirements and benefits of various renewable energy procurement options, and provide expertise on complex reporting requirements. Our renewable energy procurement experts will help you make sound decisions based on your environmental and financial objectives.

A few of the more common renewable energy options are briefly introduced below. They vary in complexity, and each one has nuances that must be carefully evaluated.



**Utility Green Tariffs and Rates** — represents one of the simplest ways to support organizational sustainability policies. Many utility providers now generate a percentage of their energy from green sources, such as solar and wind farms. That base percentage can be claimed and reported by its customers toward their environmental goals. In some cases, by selecting a premium green tariff rate, customers may be able to purchase and report higher percentages of renewable energy.



**Renewable Energy Certificates (RECs)** — in places where tariffs are not available, organizations can purchase these tradable, non-tangible energy commodities to leverage for environmental reporting. The RECs provide documented proof that a certain percentage of megawatt-hours (MWh) of electricity was generated from an eligible renewable energy resource and introduced to the power grid.



**Power Purchase Agreement (PPA)** — offers an opportunity to reduce both the carbon footprint of an organization and the risks associated with traditional utility pricing volatility, and to gain the public relations benefits of an additionality credit. An organization enters into a long-term contract with a renewable energy company to take direct delivery of power for use in its operations. The energy company handles all aspects of getting the project up and running, including financing and installation.



**Virtual Power Purchase Agreement (VPPA)** — a financial instrument in which no actual energy transfer takes place, it offers organizations both environmental reporting and potential fiscal benefits. An organization enters a long-term contract with a renewable energy provider to gain RECs, but it does not take delivery of the energy, which is sold into the wholesale market. VPPAs help organizations that are operating in multiple locations, or in regions that are not favorable to renewable energy, to meet their goals for using renewables, hedging risks and sustainability reporting.

### LET'S GO BEYOND™

Let's go beyond conventional thinking. Renewable energy procurement can provide one more step toward reaching your business and sustainability goals.

Learn more at [Trane.com/BeyondEnergy](https://Trane.com/BeyondEnergy)



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