

# Revolutionizing Corporate Renewable Energy Procurement: Transactions and Trends Shaping the Energy Transition

August 16 - 17, 2022 | Offices of: Orrick Herrington & Sutcliffe, San Francisco | San Francisco, CA

Tuesday, August 16, 2022

8:00 – 8:50 *Registration and Networking Breakfast*

8:50 – 9:00 *Opening Remarks by Lead Instructors*

**Teresa Hill**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

**Lana Le Hir**, *Senior Counsel*, ORRICK HERRINGTON & SUTCLIFFE LLP

9:00 – 9:45 **Session 1: Understanding Today's Corporate Renewable Market**

The market for corporate renewables has rapidly evolved. Corporate buyers and renewable energy suppliers are getting more experience under their belts. Robust conversations are taking place on addressing existing challenges and identifying solutions. To get you tapped into this fast moving and dynamic environment, this opening session will bring everyone up to speed on today's corporate renewable energy market.

- Why buyers are doing deals—their motivations, goals and evolving strategies
- The latest renewable energy sourcing strategies—and the challenges that accompany them
- Renewable energy options in the market today: physical PPAs, virtual PPAs, green tariffs, aggregation
- How do these options meet buyers' objectives?
- How are they being used?
- What are their benefits and challenges?
- What are their risks?
- How do the economics work?
- What changes in the market can be expected going forward, especially in a continuing COVID and supply chain impacted world?

**Teresa Hill**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

**Giji John**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

9:45 – 10:45 **Session 2: Overview: The Evolution of Corporate PPA Structures**

Over the last decade, corporate buyers and renewable energy suppliers have developed a variety of innovative structures to enable corporations to purchase renewable energy. This session will provide an overview of the types of agreements that are commonly used to facilitate corporate renewable energy procurement.

- Background: Utility Monopolies and Exclusive Service Territories
- REC Agreements
- Green Tariffs and Direct Agreements
- On-site solar PPAs
- Physical PPAs (including direct access)
- Community Solar PPAs

- Virtual PPAs (VPPAs/contracts for differences)
- Portfolio Aggregation PPAs
- Firm Block Delivery PPAs
- Load following structures
- 100/100/0 structures

**Giji John**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

**Lana Le Hir**, *Senior Counsel*, ORRICK HERRINGTON & SUTCLIFFE LLP

10:45 – 11:00 *Networking Break*

11:00– 12:00 **Session 3: Focus on Financial Settlements in Virtual Power Purchase Agreements (VPPAs)**

Although corporations continue to use a range of tools to procure renewable energy, the VPPA has emerged as one of the most common structures used to procure renewable energy. This session will explore how parties financially settle under modern VPPAs and how developers and purchasers are balancing emerging market risks related to transmission congestion, basis risk allocation, and recent severe weather trends.

- How energy market settlements work in relation to VPPA settlement
- Contract for Differences and Fixed v. Floating Prices
- Replacement RECs vs. Project RECs
- What is basis risk?
- Managing developer's basis risk while incentivizing generation of RECs
- Managing Day Ahead LMP vs. Real Time LMP differences risk to the developer while incentivizing generation of RECs
- Cap and collar mechanisms to manage financial risks
- Contractual mechanisms from Winter Storm Uri

**Giji John**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

**Lana Le Hir**, *Senior Counsel*, ORRICK HERRINGTON & SUTCLIFFE LLP

12:00– 1:00 **Session 4: Important Corporate Protections to Consider When Negotiating a Corporate PPA**

Corporations typically procure renewable energy to advance publicly stated goals, such as using renewable energy for 100% of load or achieving carbon neutrality objectives. Renewable energy procurement is also part of a corporation's broader sustainability efforts. Not surprisingly, corporations want to avoid situations in which they are unable to claim they are using renewable energy or find they have become involved with developers or facilities that are experiencing problems that may tarnish the corporation's reputation. This session will explore how corporations have addressed such issues, both contractually and with respect to internal controls.

- The concept of additionality
- The critical importance of renewable energy credits (RECs) to renewable energy claims and avoiding double counting
- The latest market risks relating back to the corporate buyer's reputation and how to contract around these
- What to expect for credit support from sellers and buyers
- Restricting assignments of the procurement agreement to buyer competitors
- Implementing Supplier codes of conduct in Corporate PPAs
- No modern slavery protections in the supply chain
- Post-execution obligations and monitoring through the 15-year partnership post execution

**Teresa Hill**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

**Lana Le Hir**, *Senior Counsel*, ORRICK HERRINGTON & SUTCLIFFE LLP

1:00 – 2:00 *Group Luncheon*

2:00– 3:00 **Session 5: Renewable Developers’ Perspectives—Understanding their Needs and Constraints**  
When building relationships and negotiating deals with renewable energy developers, it is extremely useful to bring a good understanding of their needs and constraints to the table. To help you get into the mind of developers and appreciate what drives their behavior, this session will discuss what corporate renewable deals look like through their eyes.

- How have developers’ experience in negotiating corporate PPAs evolved over the years?
- What are the biggest sticking points with corporates from a developer’s perspective?
- What are the key pieces that must be met to make a deal work for developers?
- How does renewable financing drive developers’ needs and constraints?
- How is creditworthiness affecting opportunities for mid-cap companies?
- What flexibility do developers have in offering different project options and deal structures?
- Where do developers see opportunities for win-win project structures that corporates may not have thought about?
- How are developers dealing with current market issues such as procurement risks related to the anti-circumvention investigations and global supply chain issues?

Moderator:

**Lana Le Hir**, *Senior Counsel*, ORRICK HERRINGTON & SUTCLIFFE LLP

Panelists:

**Kelly Snyder**, *Senior Director of Origination – U.S. & Canada*, EDP RENEWABLES

**Emily Cohen**, *Chief Development Officer*, PRIMERGY

**Sidney Chang**, *Vice President of Origination*, BALANCED ROCK POWER

3:00 – 3:15 *Networking Break*

3:15 – 4:15 **Session 6: Lessons from the Frontline: What Corporates Have Learned About Renewable Procurement**  
As more and more corporates gain experience in the corporate renewable market and marshalling the support of internal stakeholders, there is a lot of learning going on in the industry. What can be learned from someone who’s been on the frontline? During this session, a corporate buyer who’s been leading the charge will share their experience, talk about the lessons they have learned and pass on valuable tips for others.

- The stakeholders involved in the process
- How can sellers tailor their strategies or products to meet the corporate buyers’ needs?
- What they looked for in assessing opportunities and how did they ultimately choose the right deal for them?
- What worried the CFO—and how they came prepared to talk to him or her and what questions they needed to answer
- What were the anxieties the organization dealt with throughout the procurement process?
- The challenges they faced and how they overcome them
- Were there significant reporting or accounting issues and how were they dealt with?
- What were the key takeaways—what worked and what didn’t work

Moderator:

**Teresa Hill**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

Panelists:

**Adrian Anderson**, *Senior Director of Renewable Energy*, MICROSOFT

**Suzanne Tedrow**, *Director of Sustainability, Global Store Development*, STARBUCKS

**Aaron Binkley**, *Director, Sustainability*, DIGITAL REALTY

4:15 – 5:15

**Session 7: Developing and Executing Your Corporate Renewable Energy Procurement Strategy**

Whether you are just beginning your renewable energy procurement journey or trying to optimize and reach your renewable energy goals, this session is for you. We will outline the crucial steps in defining your renewable energy strategy balancing costs, marketing strategy, and how to effectively execute on your strategy. Defining the goal your company is trying to achieve—100% renewables, zero carbon, sustainability, additionality, locality, pricing stability, environmental and social justice impacts?

- Making sure that your renewable transaction achieves your goal
- How many corporate resources are you willing to put in to achieve your goal—time, peoplepower, investment?
- What are the tradeoffs? e.g., trading savings for less risks
- What governs what you can say? Federal Trade Commission (FTC) Green Marketing Guide, Green-e standards, press releases, etc. Best practices in reporting
- The steps in executing on your strategy
- Building your team and achieving internal alignment--making the case to the accounting department, legal department, treasury, CFO, CEO and other internal stakeholders
- What could be helpful tools to run better PPA negotiations?
- Are you looking at ESG and EJ goals and what plans do you have to incorporate these requirements into your next PPAs?

Presenters:

**Erin Craig**, *Vice President, Customer Solutions and Innovation Group*, 3DEGREES

**Lauren Tatsuno**, *Director, Energy & Climate Practice*, 3DEGREES

5:15

*Day 1 Adjourns*

5:30 – 6:30

**Orrick hosted Networking Happy Hour**

**Wednesday, August 17, 2022**

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8:00 – 8:50

*Registration and Networking Breakfast*

8:50 – 9:00

*Day 2 Opening Remarks by Lead Instructors*

**Teresa Hill**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

**Lana Le Hir**, *Senior Counsel*, ORRICK HERRINGTON & SUTCLIFFE LLP

9:00 – 10:00

**Session 8: Expanding from the US Market to Overseas**

There are active corporate PPA markets around the world. Local law specifics are important to take into account; however, certain core commercial terms can be retained when translating a US Corporate PPA for use in overseas. In this session you will hear from key market players who have successfully structured and closed deals outside of the US. We will explore the similarities and differences between Corporate PPA structures and documentation in the US vs. foreign markets.

- Strategies for how to go about procurement outside of the US

- US vs. foreign market structure differences, with an emphasis on EU procurement
- Scheduling differences to take into account and the resulting impacts
- Key differences in allocation of risks between the US and overseas
- Understanding “market” terms in foreign markets
- Lessons learned from renewable energy procurement overseas

**Kourtney Nelson**, *Principal Program Manager*, MICROSOFT

**Teresa Hill**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

**Adam Smith**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP (London)

10:00 – 11:00 **Session 9: Amplifying Impact: How to Integrate Environmental and Social Justice into your PPAs**

Environmental adversities, such as the climate crisis, pollution, and other challenges, have disproportionate burdens across communities. The scale of corporate renewable energy procurement can contribute significantly to an equitable clean energy transition by equipping climate-vulnerable communities with resources for resiliency. Migrating the energy sector from fossil fuels to renewable sources presents a critical opportunity to center equity, diversity, and justice in the sector’s workforce, ownership, and products and unlock resources for communities on the frontlines of climate risk. This session will focus on a groundbreaking proposed model for renewable energy procurement based on key learnings from Microsoft and Volt’s journeys to date including:

- Building a case for buy in
- Increasing diversity in the renewable energy industry
- Enabling community-led environmental justice outcomes
- How to deliver in the most impactful way on your environmental and social justice commitments, whether you are a buyer or seller
- Lessons learned from implementing some of the first environmental and social justice renewable energy procurement projects in the world

Presenters:

**Danielle Decatur**, *Director of Environmental Justice*, MICROSOFT

**Gilbert Campbell**, *Founder & CEO*, VOLT ENERGY UTILITY

**Yinka Bode-George**, *Senior Manager*, VOLT ENERGY UTILITY

**Jenny Carney**, *Vice President*, WSP

11:00 – 11:15 *Networking Break*

11:15 – 12:15 **Session 10: Emerging Structures for Integrating Renewable Procurement into your Carbon Goals**

To achieve your corporate carbon neutral or negative goals, it is not enough to simply procure renewable energy through Corporate PPAs. Developers and corporations are partnering to innovate new structures to ensure that 100% of corporates’ energy consumption is matched 100% of the time by zero carbon energy purchases (100/100/0). In this session we will hear from Sellers and Buyers who are creating novel solutions beyond traditional Corporate PPAs.

- How is a 100/100/0 deal structured?
- What are key risks to know when negotiating a 100/100/0 structure?
- Lessons learned from developing 100/100/0 renewable energy procurement
- What markets can these types of agreements work best in?
- How can a corporation benefit from 100/100/0 renewable procurement?
- What other emerging products are there to help buyers meet their carbon goals?

Moderators:

**Teresa Hill**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

**Lana Le Hir**, *Senior Counsel*, ORRICK HERRINGTON & SUTCLIFFE LLP

Panelists:

**Adrian Anderson**, *Senior Director of Renewable Energy*, MICROSOFT

**Kelly Hanson-Schaefer**, *Associate Corporate Counsel*, GOOGLE

**Jessica Johnson**, *Origination, Environmental Products*, SHELL ENERGY NORTH AMERICA

12:15 – 1:15 **Session 11: Carbon Goals in Context: Buyer ESG Program Developments and the Consequences for Renewable Energy Transactions**

Corporate renewable energy goals are not pursued in a vacuum – they frequently constitute one part of a broader ESG program that addresses related environmental sustainability measures such as water conservation and waste diversion, as well as other ESG topics such as human capital management, diversity, equity and inclusion, human rights, supply chain responsibility, and responsible innovation. As the legal requirements and stakeholder expectations relating to ESG grow, it is critically important for a renewable energy buyer to establish consistency and alignment across its climate-related and broader ESG programs in terms of implementing and maintaining robust and tailored oversight, controls and disclosure practices. For public companies, the adoption of the SEC’s climate rule will only render this need more urgent, as the proposed rule would require public companies to make detailed disclosures regarding their practices in this regard.

- How should renewable energy procurement goals fit into broader ESG program
- development measures, such as ESG Steering Committee and working group processes?
- How can buyers and developers structure transactions to support buyers in meeting ESG requirements and expectations?
- What are the key checklist items that a company should address in advancing the maturity of its ESG program?
- How are buyer ESG requirements typically flowed down to suppliers, including to developers?
- What are the most important takeaways from the SEC proposed climate rule for buyers and developers?

**J.T. Ho**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

**Ashley Walter**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

1:15 – 2:15 *Group Luncheon*

2:15 – 3:15 **Session 12: Corporate Tax Equity Investment in Renewable Projects**

Corporate tax equity investment is an emerging trend in financing renewable and climate linked infrastructure projects as corporate investors continue to look for alternative ways to decarbonize. The supply of tax credit investment capital has been historically constrained and taxpaying U.S. corporations are a key stakeholder for achieving a net-zero emissions power grid. This session serves as primer on tax equity financings that includes topics such as structuring, economic considerations, and key deal terms. We’ll also explore the benefits and challenges of linking tax equity and power/REC procurement on renewable energy projects.

- Why should corporations consider tax equity?
- Summary of federal tax credit policies
- Overview of financing structures (partnership flips, sale leasebacks and inverted leases)
- Key financing terms

- Interplay between tax equity and debt
- Upsides and downsides to syndication versus standalone investments
- Modeling and pricing considerations
- Interplay with Power & REC procurement

**Scott W. Cockerham**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

**Louise S. Gibbons**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

**John Richardson**, *Director*, COHNREZNICK CAPITAL

3:15– 4:15

**Session 13: Market Outlook 2023**

This session will survey lessons learned from 2022, what major risks are developing in the market, and what is to come in 2023 and beyond. We will discuss how to negotiate around such market trends for the mutual benefit of both parties.

- Recent shifts in market dynamics between Seller and Buyer risks
- Balancing meeting corporate buyers' lofty carbon goals with development challenges
- How to handle the project construction risk resulting from the Anti-Circumvention inquiry
- Construction delays and reputational concerns regarding the use of modern slavery in the production of solar panel parts
- Continued COVID-19 delays and global shipping delays

Moderators:

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**Lana Le Hir**, *Senior Counsel*, ORRICK HERRINGTON & SUTCLIFFE LLP

Panelists:

**Adrian Anderson**, *Senior Director of Renewable Energy*, MICROSOFT

**Kelly Snyder**, *Senior Director of Origination – U.S. & Canada*, EDP RENEWABLES

4:15 – 5:15

**Session 14: Master Class Wrap up**

Instructors will recap key points from both days of the program and open the floor for an interactive discussion to answer attendees' most pressing questions.

**Teresa Hill**, *Partner*, ORRICK HERRINGTON & SUTCLIFFE LLP

**Lana Le Hir**, *Senior Counsel*, ORRICK HERRINGTON & SUTCLIFFE LLP

5:15

*Master Class Adjourns*