



edenseven

Case Study

Zero Carbon Forum

Corporate Power Purchase Agreement (PPA) Review

Overview

The Zero Carbon Forum (ZCF) is a non-profit organisation empowering members to reach sustainability targets with more speed, efficiency, and profit as a united effort. ZCF's membership includes some of the largest brands and consumers of energy in the UK hospitality sector.



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The Zero Carbon Forum has set ambitious targets to eliminate operational emissions by 2030 and across the full supply chain of members by 2040. A key component of the 2030 target can be achieved through the structuring of a long-term agreement which links ZCF members to specific 'new to earth' renewable assets. These agreements are known as Corporate Power Purchase Agreement (CPPAs).

Given the extensive experience across the team in negotiating and delivering CPPAs, edenseven was engaged to review the commercial structure of a proposal being offered to ZCF by a renewable supplier.

The Request

ZCF required a review of a CPPA structure being presented, comparing this to best practices to ensure it would meet the specific requirements of the forum's membership. Within the review the following areas required analysis:

- Validate the track record of the supplier to deliver a CPPA
- A price review, assessing historical and future pricing patterns with the UK electricity market
- An outline of the key components of a CPPA, including project types, pricing structures and key operational considerations
- Review the proposed structure and match this against best practice in the market
- Outline Recommendations and proposed next steps

Skills & Knowledge

- An energy expert with a detailed knowledge of the UK energy market, with a specific understanding of the commodity markets and future trends
- An insight into contracting structures currently in place relating to CPPAs and renewable sourcing
- Experience of commodity price risk management processes and how CPPAs can be integrated into an end user's electricity position
- An extensive knowledge of market participants and their expertise in delivering CPPAs



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Outcomes

edenseven conducted an extensive review of the proposed contract structure being provided by the renewable supplier. This process included:

- Conducting a market price review of existing structures and comparing this to historical outturns
- Meeting with the supplier to review key elements within the proposal and clarifying specific operational requirements
- Delivering a clear and considered report to ZCF for circulation to relevant members outlining the proposed structure and key recommendations