



## **Memo: City of London Corporation's Multi-Offtake Power Purchase Agreement**

### **Why have a PPA?**

A Power Purchase Agreement (PPA) provides power from renewable sources, supports your sustainability & decarbonisation journey, maintains price security and provides the potential for savings on your energy bill. A PPA is a mechanism for organisations to purchase a proportion of energy directly from sustainable sources, handled (or 'sleeved') via an intermediary energy company.

### **What has the City Corporation already implemented?**

In January 2023, the City Corporation established its own Power Purchase Agreement. This means that approximately 50% of the City Corporation's electricity now comes from our South Park Solar Farm in Dorset. This was the first time in the UK that a Local Authority established a PPA agreement (November 2020). It is anticipated that the City Corporation will return a net present value of £3 million. The PPA will provide power to include the historic Guildhall headquarters, three wholesale markets and the Barbican Arts Centre.

### **What does the City Corporation want to do next?**

The City Corporation continues to innovate and is supporting other organisations with a footprint in the square mile to embark on this journey. The aim is to give organisations the opportunity to come together as a single buyer group (or 'club') and establish a Multi-Offtake PPA. This would not be possible for many organisations if they act alone. It enables us to work as a collective on our ESG agenda with the City Corporation leveraging its unique position in the square mile, acting as a catalyst to make this happen.

### **What is the current status of this project?**

On 25 May 2023, the City Corporation hosted a PPA workshop at the Guildhall to explain the key features of a Multi-Offtake PPA, discuss market challenges and gauge the level of appetite. The workshop convened around 40 organisations and was facilitated by EY's Energy and Infrastructure team. Based on the energy data provided to date, expression of interest suggests that there is sufficient aggregate energy demand for a Multi-Offtake PPA to be viable.

### **How can I participate in the Multi-Offtake PPA club?**

The City Corporation continues to invite organisations with a footprint in the square mile with an energy consumption of greater than around 0.5GWh per annum (no upper limit) to participate. If you are interested, we'd like to understand your energy consumption and PPA readiness in terms of governance, contractual arrangements and consumption. We are using this information to assess the potential baseload and think about the club's operating model.

If you are developing your ESG strategy, have heard about PPAs and want to know what it could mean for you, or already have an existing sustainable energy project with scope for more then please get in touch ASAP. We would be delighted to learn more about your organisation and discuss how you can get involved as a club member. To help us understand how you'd fit in the club, we would need your:

- energy consumption data (historic and forecast), and
- information about the term of existing supplier commitments.

It would be helpful if you can complete and return the information request form which can be found under the PPA section of the webpage below.

Links: website; [Supporting the Square Mile achieve net zero - City of London](#)  
email; [climateaction@cityoflondon.gov.uk](mailto:climateaction@cityoflondon.gov.uk)

Please check our website for the latest information about this project. This document was updated on: 03 August 2023.