

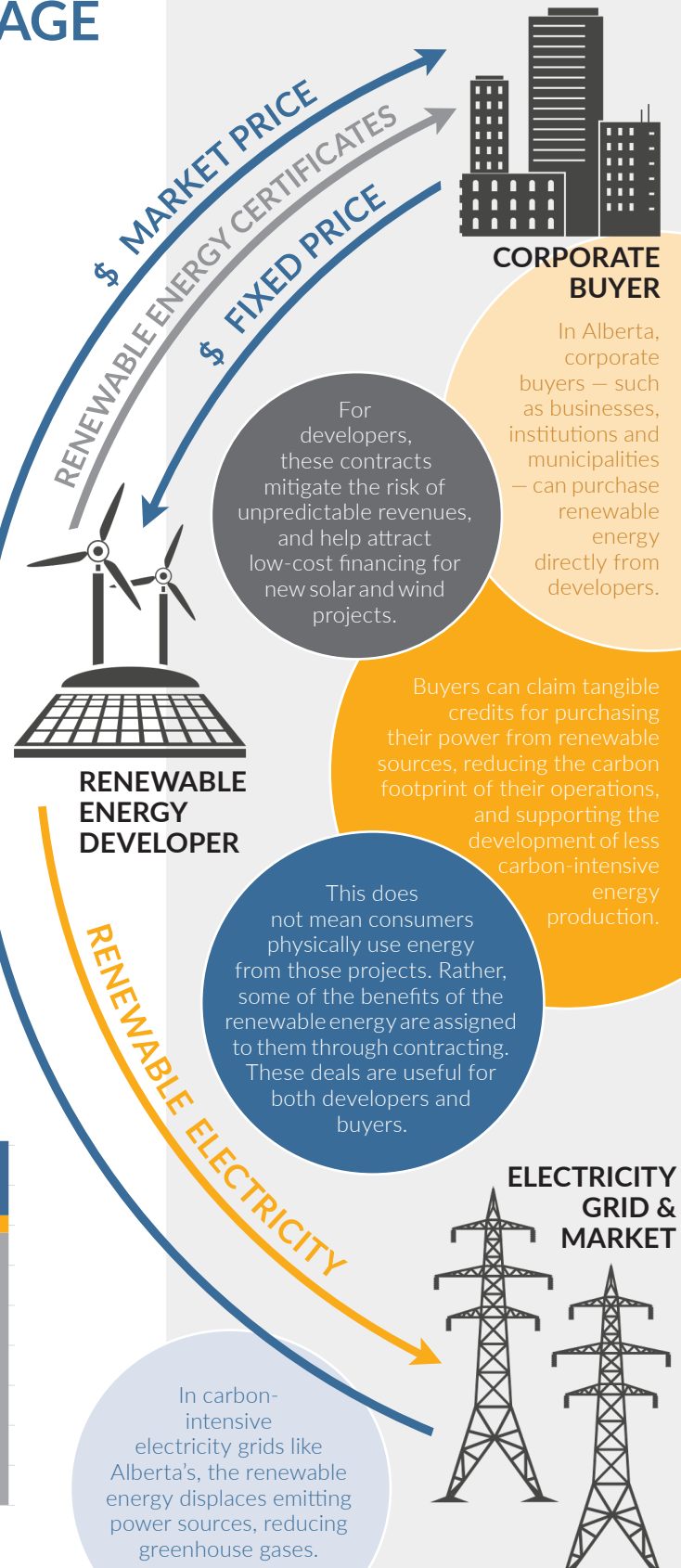
ALBERTA'S corporate renewables procurement ADVANTAGE

The growth of corporate procurement of renewable energy in Alberta has been dramatic in recent years, thanks to strong wind and solar resources, a stable carbon-pricing regime and a unique regulatory environment that enables corporations and institutions to procure renewable energy directly from developers.

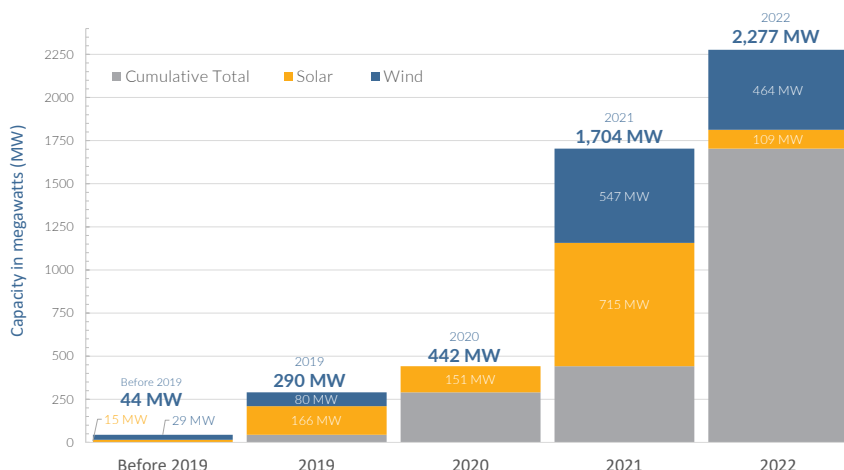
These agreements are part of a sizable and quickly growing global trend. Beginning in 2019, after the Alberta government announced it had signed contracts with developers for new wind and solar power at prices below projected market rates, the pace of new corporate deals accelerated. In mid-2022, the cumulative total of publicly announced contracts in Alberta surpassed 2 gigawatts (GW) worth of new wind and solar energy — three years ahead of the ambitious target date set by BRC-Canada.

The approximately 2.23 GW contracted in the first four years since the start of 2019 is considerably more than the 1.46 GW of total wind and solar capacity that had been built in Alberta by that point. Although a number of provincial electricity grids in Canada still produce significant emissions, Alberta is the only province to date that accommodates corporate renewable procurement by default. As such, Alberta has reaped the benefits of this accelerated renewable energy investment driven by the private sector, including lower energy costs for Albertans, local investment, jobs, landowner payments, municipal revenues and a stronger investment climate that can competitively attract global companies.

how does it **WORK?**



Corporate Renewable Energy Deals in Canada



Alberta is reaping the benefits of Canada's corporate renewables boom. When companies enter contracts to purchase energy from new renewable energy projects in Alberta, the province benefits dramatically in three main ways.

Alberta's electricity consumers benefit

Energy needs of
1 million
Alberta homes

2.7^{GW}
renewable
energy

The deals announced to-date in the province are supporting over 2.7 gigawatts (GW) of new renewable energy projects: enough to supply the annual energy needs of more than a million Alberta homes.

Renewable energy decreases the wholesale market price for electricity. Because renewable sources have no fuel costs and few operating costs, they supply energy at very low prices. This in turn suppresses the overall market price, resulting in lower costs for utility customers. Renewable energy sources also generate a second commodity — the associated environmental attributes known as offsets or renewable energy certificates (RECs). This means wind and solar energy are economic even at very low energy prices. In this way, corporate demand for the environmental benefits of renewable energy means more supply of low-cost electricity for all Albertans.

Alberta's economy, workers and communities benefit

These projects also represent over \$4 billion of new capital investment and provide jobs for nearly 5,000 people. Once operating, they will support ongoing local economic activity, such as spending for operations and maintenance, including over \$10 million per year in municipal property tax payments and another \$10 million in annual lease payments to rural landowners. With more deals and new projects, these economic development benefits will only grow.

5,000
jobs

\$4
BILLION
new capital
investment

\$10
MILLION
annual property
taxes

Alberta's industries and investment climate benefits

Alberta's major industries are subject to increasing scrutiny from the global financial sector over growing climate risks. They are expected to reduce emissions and are also motivated to mitigate the costs of Alberta's industrial carbon pricing system. Corporate procurement of renewable energy makes industrial players more competitive, allowing them to meet environmental, social and governance (ESG) commitments that appeal to creditors and investors, while also reducing carbon compliance costs. As such, the availability of this opportunity attracts new investment to Alberta from global companies looking for opportunities to sustainably supply their power needs and meet their own commitments. In November 2021, Amazon chose Calgary for its \$4.3-billion cloud computing operation, crediting Alberta's renewable energy access as a key factor.

By accommodating corporate renewable energy deals, Alberta has dominated renewable energy investment in Canada driven by the private sector, and capitalized on the secondary economic benefits that come with ESG-driven investors. Alberta is reaping the benefits of private-to-private deals thanks to corporate buyers who are driving new renewable energy investment in the province, helping to decarbonize the grid and moderate future electricity costs for Albertans.

reduce
carbon costs

meet
commitments

more
competitive

fact sheet SERIES

While Alberta got a leg-up on capturing this market opportunity, other provinces can enable corporate renewable procurement in Canada. Coming soon: Check out the companion fact sheet **Spreading the Benefits: Enabling Corporate Renewable Energy Procurement Across Canada** to see how.

