



Achieving 100% green electricity procurement

Sigerly (organisation)

- Procuring 100 %electricity from renewable energy sources



Standard product / old tender = benchmark

- Standard offer mainly with nuclear electricity (no green electricity) for 110 GWh

New tender

- 3 lots
- Lot No.2. (13 GWh)100 % green electricity

Results

- 1 000 tCO₂ saved per year

Introduction to case

1.1 PITCH-TALK

Members of the energy union SIGERLY¹ have been strongly in favor of the purchase of green electricity, in the context of opening energy markets in France.

1.2 CASE CONTEXT AND CASE ISSUE

The opening of the energy markets in France presented an opportunity for SIGERLY to gain feedback from its members about their needs and expectations for green electricity. Several municipalities with high energy consumption have promptly expressed their expectations in terms of green electricity, which SIGERLY responded to, by offering a lot strictly for green electricity (representing 13 GWh) in the electricity procurement. Guarantees of origin were systematically required as proof of compliance. The consultation highlighted a virtual absence of green electricity overhead price (less than 0.5%) despite these guarantees of origin. In addition, SIGERLY was able to negotiate an overall lower cost of electricity for the other lots (7-11%), which completely erased the very low additional cost of the lot dedicated to green electricity.

1.3 SOLUTION APPLIED

The strong commitment of most of SIGERLY's members was crucial towards the creation of a lot dedicated to green electricity in the electricity procurement. Especially as it was constrained by the rules of public procurement in terms of options and variants, it became necessary to establish a specific lot. The prospect of global economies, more respect for the environment and the goal to achieve a certain volume of consumption from renewable sources previously set in climate plans of these larger towns all contribute to the support of the members. The very low additional cost of the green electricity package also opens new opportunities for the continuation and renewal of the next contract.

Contract tendered

- a) SIGERLY has launched a tender for electricity which brought together 22 members (out of 180, with 74 buildings) who wish to gain access to 100% green electricity. Among the municipalities that have chosen green energy, they have on average changed 30% of their buildings to 100% Green Electricity, which in this lot represents 13 GWh / year.
- b) *Value of the contract* : 1.7 M€
- c) *Type of procedure* : open
- d) *Type of contract* : supply
- e) *Nature of contract* : framework contract
- f) *Divisions in lots* : 3 lots, where one lot (lot 2) was 100 % green electricity

¹ SIGERLY is one of the energy union in France in charge of supplying gas and electricity for municipalities.

Procurement objectives

- The remarkable point of this contract has undoubtedly been the very low additional cost of green electricity... The other point was to have a lot with 100 % green electricity
- For several years now in France there has existed a wide choice in terms of green electricity which popularized the offer to buyers. The experiments began to multiply and the establishment of a European market of Guarantees of Origin showed buyers the traceability and the availability of ample supplies.
- The opening of the energy markets in France, which began in gas markets has been the subject of many meetings and exchanges of information to put the question of green public procurement to public actors. The first experiment of the opening of the gas market also helped to educate elected officials who were then more receptive when the electricity markets have been opened.



Procurement approach

Only one of the three lots of the procurement was dedicated to green electricity, which proved the origin of electricity was green through guarantees of origin. The offers were evaluated on their technical nature (rated 20 points) initially with the following sub-criteria including green electricity supplier policy (20 points out of 140):

- Taking into account the process of obtaining and disseminating Guarantees of Origin to other members of the lot.
- taking into account the origin of its power resources and the energy mix of its sales
- of electricity in 2013 (nuclear, fossil thermal, hydro, renewables), which describes the status of alternative sources and investment policy in generation projects.
- Explaining how it reinvests profits from the sale of electricity in new ways of producing renewable energy.
- Specifying the production of renewable energy that the supplier encourages in the Rhône Alpes region.
- Describing the methods of communication and renewable energy awareness which will be set up for members of the lot.

Contract clauses

- the supplier has the obligation to provide guarantees of origin for 100% of electricity supply
- The SIGERLY asked to the bidders to say how they can encourage the production of renewable energy. In this first procurement a declaration was accepted because SIGERLY wanted to increase awareness of suppliers about this requirement.
- the supplier must make available to members the communication and awareness materials associated with the provision of renewable energy

Criteria development

- Environmental specifications are the result of the experience of SIGERLY in the matter, its own literature searches, its various contacts during the preparation of the procurement, regional meetings organized on the subject by RAEE and of course examples of

specifications proposed by the EU (but also the requirements made by different European ecolabels working on energy). Furthermore, upstream of the procurement, various informal discussions with various suppliers have clarified the specifications.

Results

- The green electricity part (100%) is 13 GWh. Considering the average CO₂ content of the French electricity mix, it was easy to calculate savings emissions, equivalent to about 1000 t CO₂ / year, estimated at 1,100 toe.

	t CO ₂ e/year	Energy consumption toe/year
Low Carbon Solution	10 960	11 782
Last Tender/or „worst case“	12 000	12 900
Total savings	1 040	1 118

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Lessons learned

The traditional approach for procurement: Today most of the electricity procurements in France (in terms of both the number of procurements and the quantity purchased) remain focused on a supply with traditional electricity available in the mix (primarily nuclear energy in France).

- *Lessons learned*
 - o The commitment of representative members is critical to purchase green energy.
 - o guarantees of origin satisfy proof of origin requirements of buyers
 - o The very low additional costs of supply green energy compared to a traditional offering gave confidence and will be important in the following procurement
 - o The available supply was sufficient to avoid unsuccessful procurement procedures and ensure public purchasers properly receive the required energy

Do's and don'ts

- o Identify the most engaged members to encourage them to express their green electricity needs
- o Meet politicians only when the technical needs are affirmed
- o Seek to expand the number of public procurers of the joint procurement to buy in larger quantities

- *Assess the replicability of the approach – success factors for replication; is this case relevant for others? Who is it relevant for?*
 - o Energy and electricity purchasing is an European issue. The recommendations made here, particularly regarding strong expression of members themselves about their desire for green electricity; is a useful requirement throughout Europe.

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About PRIMES

Across six countries in Europe; Denmark, Sweden, Latvia, Croatia, France and Italy, PRIMES project seeks to help municipalities overcome barriers in GPP processes, many of which lack capacity and knowledge.

PRIMES aims to develop basic skills and provide hands-on support for public purchasing organisations in order to overcome barriers and implement Green Public Purchasing. This will consequently result in energy savings and CO₂ reductions. – www.primes-eu.net



About GPP 2020

GPP 2020 aims to mainstream low-carbon procurement across Europe in support of the EU's goals to achieve a 20% reduction in greenhouse gas emissions, a 20% increase in the share of renewable energy and a 20% increase in energy efficiency by 2020.

To this end, GPP 2020 will implement more than 100 low-carbon tenders, which will directly result in substantial CO₂ savings. Moreover, GPP 2020 is running a capacity building programme that includes trainings and exchange. – www.gpp2020.eu



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related to the procedure please contact the partner as indicated in this document.

