

CASE STUDY OVERVIEW
PAN-EUROPEAN RENEWABLES
PROCUREMENT CASE STUDY



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In January 2020, Anheuser-Busch InBev (AB InBev) announced the largest pan-European corporate solar deal in history. The 10-year virtual power purchase agreement (VPPA) with BayWa r.e. consists of output from two solar photovoltaic (PV) farms in Spain with a combined power of 200 megawatts (MW). The Budweiser Solar Farm project will cover the electricity load of 14 AB InBev breweries in Western Europe.

Navigating a complex cross-border VPPA involved several moving pieces, including securing internal buy-in by aligning the project with broader company sustainability goals, engaging key stakeholders across departments early on in the process, and identifying the best fit in terms of a development partner.

01. FINALIZE YOUR KEY TERMS BEFORE GOING INTO THE CONTRACTING PHASE.

As early as the RFI/RFP phase, have your list of key commercial terms set so that developers understand what they must agree to. This clarity allows developers to offer their best price from the beginning.

02. CHOOSE THE RIGHT EXTERNAL LEGAL FIRM.

Find a firm that knows your specific market and with whom you can build a good relationship.

03. BRING YOUR FINANCE TEAM INTO THE PROCESS EARLY.

Questions around accounting, governance, and financing are often the biggest challenges to getting internal alignment and approval for renewable energy projects. Meet with your finance team early in the process to clarify how the project will sit on the company's balance sheet and get them onboard. Your finance team can also be a strong champion!

04. WEIGH YOUR OPTIONS WHEN CONSIDERING HIRING CONSULTANTS.

AB InBev's auction process was similar to how a consultant would run a project bid, but they did it on their own. For AB InBev, they would do a subsequent project in the same way, as it can be expensive and potentially unnecessary for AB InBev to hire a consultant.

AB InBev is fortunate to have an in-house analytics team. Smaller firms that do not have this capability in house may need to engage outside analytics consultants and consider this cost in their plan. Buyers may also consider engaging with tech platforms that connect buyers and sellers.

05. PROJECT TIMELINES ARE NEVER GOING TO BE AS PLANNED!

This is normal for any new project. It becomes easier when you do the next project, especially if you are doing a carbon copy of a previous project.

06. REGISTER WITH THE EUROPEAN MARKET.

In Europe, anyone involved in a wholesale energy market transaction must register with the European Register of Market Participants (REMIT). It may be helpful for buyers new to the European market to work with a developer who has done this before and can help the buyer through this process.

07. ENGAGE INTERNAL TEAMS EARLY AND OFTEN!

Structured internal meetings may be beneficial to maintain project progress.