

# Lessons learned from consortium buying: the Dutch Wind Consortium

- RE-Scandinavia
- Malmö, Sweden
- 29 August 2018



# Today's talk

**The Dutch wind consortium: what, why and how**

Lessons for Scandinavian-buyer groups

About Business Renewables Center



# Consortium background

- Four partners:
  - AkzoNobel
  - Royal DSM
  - Royal Phillips
  - Google
- All Dutch companies, or with load in Holland
- Objectives:
  - Solid partnership through which to undertake renewable energy transactions



# Why act in a consortium?

- AkzoNobel's approach is to always act in partnership with peers and other stakeholders – the process for procuring renewable energy is no different
- “Teaming up with like-minded companies has delivered a new and attractive way to secure additional renewable power for the long-term.”  
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- Specific objectives:

Enhanced economics

Risk sharing



# Process to develop a consortium

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Commercial negotiations	3 months	3 months	The negotiations with each project developer took about the same time, and the consortium partners do not see this could have been any shorter
Execute PPA	9 months	4 months	The timing improvement during this last stage shows the impact of learning by the consortium partners, and the familiarity with the process and documents required to sign a PPA



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## Easily replicable structure

By developing a simple consortium structure, the partners created a vehicle for swift and inexpensive replication across multiple projects



# Advantages & challenges

Finding the right partners is critical. AkzoNobel started the process by reaching companies with shared values, including a strong commitment to sustainability, and used attitudes to risk as an early 'filter'

**Partner selection**



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**Complexity of transaction**



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Also can be complex. The Consortium partners opted for a simple, unincorporated structure (unique to Holland) to allow project negotiations to start, and simple adaptation to multiple transactions

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**Complexity of transaction**

**Governance structure**



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Ongoing management requires coordination at two levels, between consortium partners, and within each company. The partners established clear rules and processes to guide this, and allocate roles and powers

**Partner selection**

**Complexity of transaction**

**Governance structure**

**Ongoing management**



# Outcomes

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  - Oct. 2016 – 102 MW
  - Dec. 2016 – 34 MW
- Four identical PPAs signed on each project
  - Price collar to manage risk
  - No joint and several liability
  - ‘Dispatch down’ rights to manage curtailment/congestion



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# Lessons learned

Look for partners that are committed and willing to share the workload

Level of 'internal development' is a good filter - timing is key

Strong brands (with strong commitments) make good partners

- Read the case study: [businessrenewables.org/case-studies](https://businessrenewables.org/case-studies)



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Ensure external advisors are focused on your business needs/objectives

Alignment on attitude towards key risks is critical

Keep governance simple, focus on what is required to procure energy

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Keep governance simple, focus on what is required to procure energy

Understand what each partner can contribute to share the work

Focus on creating replicable transaction structures/documents

Open conversations with developers early to create an optimal structure

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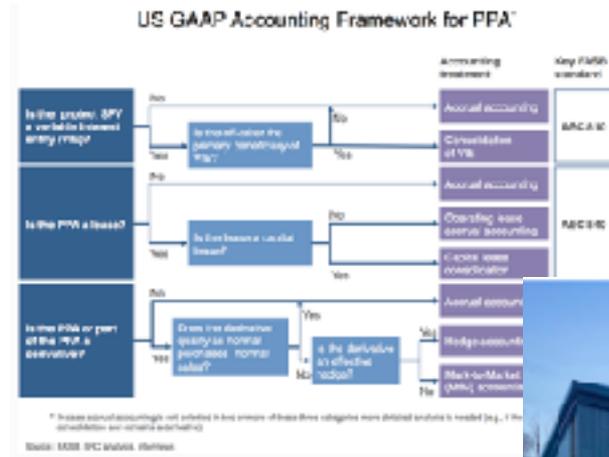


# About BRC

BRC unites energy consumers, energy developers and service providers to accelerate and scale renewable energy by:

- Solving the toughest transactional barriers in the renewable energy market
- Accelerating action through shared learning between market participants
- Building relationships that promote trust, transparency and collaboration

## Primers and Case Studies



Boot Camps and events



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