

Opening Remarks

by

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International Renewable Energy Agency**

at the

CEM8 Side Event

Corporate Sourcing of Renewables Campaign

Beijing, China, 7th June 2017

Your Excellencies,

Ladies and gentlemen,

It is my pleasure to welcome you to this full-day event of CEM's Corporate Sourcing of Renewables Campaign, which was launched last year in San Francisco at CEM 7. IRENA, as the operating agent for this Campaign, has worked closely with a number of partners in preparing for what promises to be a day of stimulating discussions and announcements, and I wish to thank them all for their valuable contributions. These partners include:

- The Center for Resource Solutions
- The Energy Foundation China
- The US National Renewable Energy Laboratory
- RE100
- The Rocky Mountain Institute
- The World Business Council for Sustainable Development
- The World Wildlife Fund
- The World Resources Institute

I wish to take this opportunity to thank the lead CEM governments in the Campaign, Denmark and Germany, for their unwavering support, as well as the participating

CEM governments.¹ As many of you are aware, corporate sourcing has emerged in a short period as an increasingly important driver of renewables deployment, with a growing number of leading global companies making renewables the energy of choice to power their businesses. The Campaign seeks to advance the case for corporate sourcing of renewables, identify policy recommendations and implement best practices that are supportive of it. It also aims to increase commitments for corporate sourcing of renewables and incentivize their implementation.

Since its launch, the Campaign has raised the profile of corporate sourcing, strengthened outreach efforts and undertaken new analysis which has attracted wide interest. Over 30 new corporate commitments have been made since we last met in San Francisco. Importantly, this collaborative effort has brought together motivated actors in a framework for cooperation that was previously lacking, and we expect to see the Campaign's activities further intensify in the coming year.

¹ Mexico, Sweden, The UK, the US, The European Commission. Brazil to join at CEM8.

Ladies and Gentlemen,

Corporate sourcing of renewables has never made more sense. Innovation and remarkable cost reductions, which are set to continue in the coming decade, coupled with enabling frameworks and policies, have resulted in an unprecedented scale-up of renewables worldwide. Renewables have become a cost-competitive source of energy, and the energy of choice for a growing number of countries, sub-national governments and cities which are also seeking to reap their multiple benefits through fueling economic growth and job creation, reducing air pollution, and mitigating the effects of climate change.

With the business case for renewables firmly established, many companies in the non-energy sector are turning to renewables. These are sound business decisions based on costs and profitability that also contribute to a greater good. As of today, 40% of the Fortune 500 companies have set sustainable energy targets, and 95 leading corporations have committed to using 100% renewable electricity by joining our partner initiative RE100. RE100 members now create demand for around 122 TWh of renewable energy annually - that is more than enough to power the whole of Sweden.

Later today, we will hear from H&M which has committed to powering its businesses with 100% renewable electricity mostly through the purchase of unbundled electricity certificates. H&M's purchase of 100,000 MWh of project-specific electricity certificates contributed to the construction of a 6.6 MW wind power plant on the Swedish west coast that will produce about 19,000 MWh annually.

Many corporations are also moving towards direct procurement. As of May 2017, corporate power purchase agreements amounting to almost 20 GW have been signed. While the biggest markets are the US, UK and Nordic countries, markets such as Latin America and Asia are growing rapidly, with 2.6 GW of PPAs having been signed in this region by last January.

Google has been a pioneer in corporate PPAs and has today agreements covering at least 20 projects in five countries, amounting to some USD 3.5 billion in capital investment. The ingenuity that Google has applied in its approach to corporate sourcing led to a milestone announcement at the end of last year: they are set to reach 100% renewables target in 2017 in powering their global operations, at which point they will be sourcing 2.6 GW of wind and solar.

Some companies are now working with their suppliers to promote the use of renewables in their facilities. Last April, three Apple suppliers here in China committed to 100% renewables, resulting in projects ranging from 12.6 MW rooftop solar solutions in the cities of Nanjing and Kunshan, to a full 50 MW solar farm in Henan province. Apple's supply chains efforts are expected to create 4 GW of renewable energy around the world by 2020.

These numbers are a sign that corporate sourcing is also spurring new and innovative financing and business models, and we look forward to hearing more about this in our discussions later today.

This is only the beginning of what corporate sourcing can truly achieve in accelerating the energy transition. As we move to scale this up even further, the need to cooperate in identifying and sharing experience and best practices will only continue to grow. I am therefore very pleased that the CEM Campaign has been extended for another year until CEM9, and we look forward to your continued active engagement with it.

I believe that this Campaign has a transformational potential, and IRENA is using its convening power and near-universal membership to accelerate its impact. During our Assembly last January, we dedicated a Plenary session to this issue and countries showed strong interest both in understanding what companies are doing and how governments can create enabling environments to facilitate private sector engagement. We will continue to create opportunities for such exchange. In addition, to contributing to the CEM Campaign, we are developing the REmade Index Report. Some of you were in San Francisco last year where we discussed this, and this Index is in a great part result of the feedback we received during CEM7. As the first-ever global report on the potential of voluntary renewable energy markets, the Index will highlight the latest trends, recognise companies sourcing renewables, and provide recommendations to further boost corporate sourcing.

As a part of the Index Report, IRENA is carrying out two surveys. The first, a *Country Survey* now completed, provided us with an overview of enabling frameworks and potential for corporate sourcing. The survey's results show that while there is a purchase demand for renewable electricity in a broad range of sectors and markets, this voluntary demand is rarely taken into account in national energy

strategies and renewable energy targets, thereby underlining a need for examining how policy formulation can better support corporate sourcing of renewables.

Today, we are launching the second survey – the *Corporate Survey Questionnaire*, which will collect data on electricity sourcing by corporations, including in their supply chain. The results of the questionnaire will be used to map out global efforts and the potential for corporate sourcing. We invite representatives of companies here today to be part of the survey, and we also encourage government participants to support us in disseminating it.

Ladies and Gentlemen,

The growing momentum behind corporate sourcing of renewables shows that renewables not only help achieve development and climate objectives but are also good business. The broad range of actors assembled here today provides an opportunity to engage in practical discussions on how to scale it up, and do so in more regions around the world. In this regard, I congratulate China for joining this Campaign. The active participation of Chinese companies can have a transformational impact in terms of scaling-up corporate sourcing of renewables given the size of the Chinese market. From this perspective, I also welcome the

launch of the China Green Electricity Consumption Cooperative Organization which will take place later this afternoon. IRENA stands ready to work with you all in accelerating the efforts to transition to a sustainable energy future of which corporate sourcing of renewables is now an integral part.

Thank you.