



Smart Green Energy Procurement Tools for Renewable Energy Buyers

Recommendations



(CLOCKWISE FROM LEFT) JAKE SLOOP/UNSPLASH, MAX BOETTINGER/UNSPLASH, ©ROBERT ZIMMERMAN

Corporations are increasingly contracting directly with renewable energy developers to meet their renewable energy goals. To date these contracts have largely focused on megawatts produced with little consideration to the potential impacts of these utility-scale projects on wildlife and other natural resources. Poorly developed renewable energy projects pose substantial risk to wildlife and communities, as well as reputational and financial risk for buyers.

The substantial growth in the renewable energy market means buyers now have the power to mitigate this risk by selecting responsibly sited and operated projects that minimize impacts to species, habitats, and agricultural lands. Buyers can do this by incorporating minimum environmental standards and evaluation criteria in their procurement policies to support informed decision making.

Minimum Standards to Bid

Buyers should incorporate environmental due diligence standards in their Request for Offers (RFO) for renewable energy procurement, as well as internal review policies when comparing bids. A basic level of environmental diligence is critical to identifying potential environmental impacts and determining

project viability and probability of success. Adequate environmental due diligence is equally important as site control, technology viability, and interconnection milestone progress.

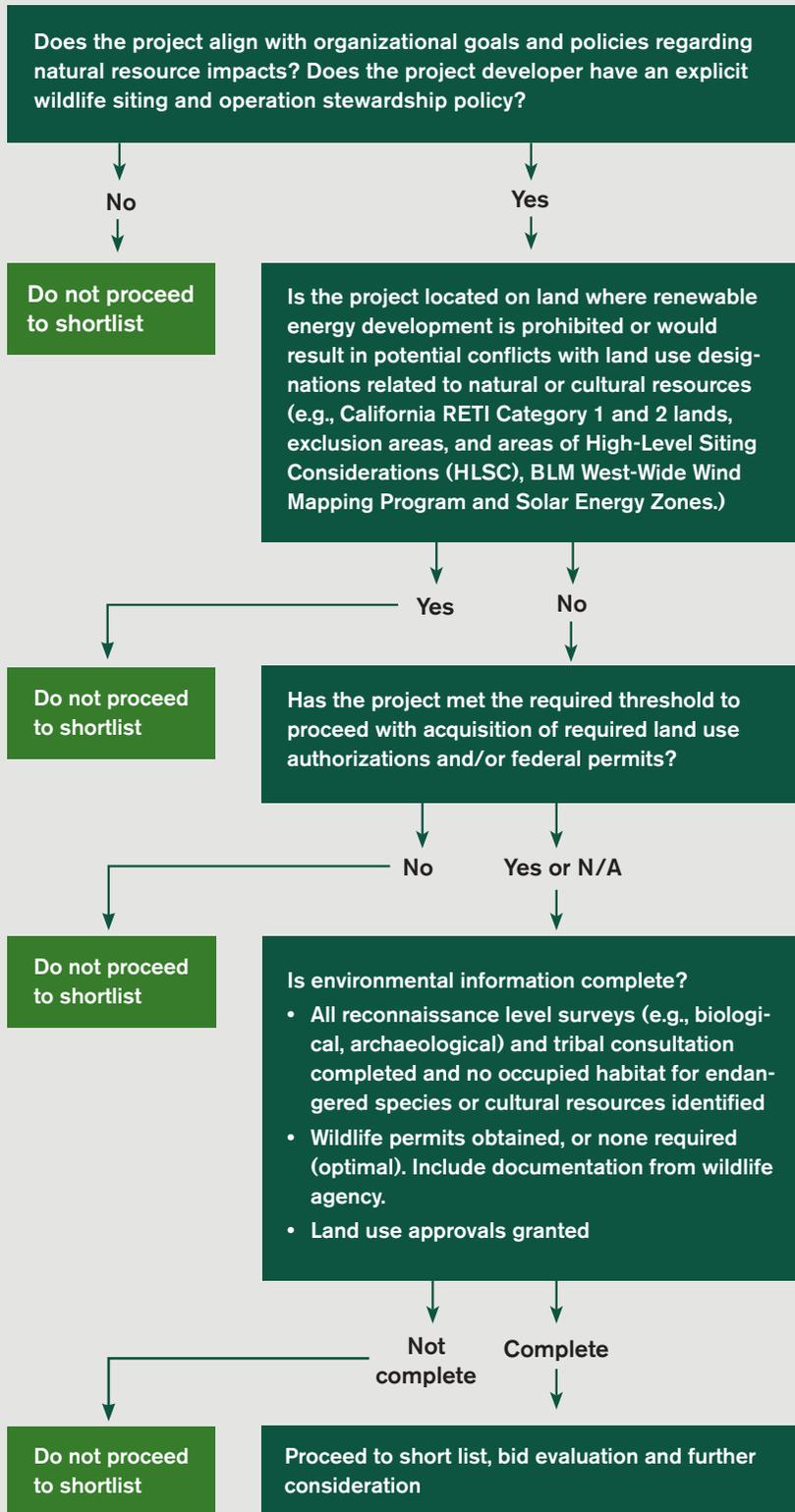
Following are examples of minimum standards for renewable energy buyers to consider requiring in any RFO.

- Alignment with organizational goals and policies on sustainability and environmental stewardship (e.g., accords with goals related to biodiversity, land use, etc.).
- Project location is not on land where renewable energy development is prohibited or would result in potential conflicts with land use designations related to natural or cultural resources (e.g., California RETI Category 1 and 2 lands.¹)
- The project meets required threshold to proceed with acquiring any requisite land use authorizations and/or the project meets minimum federal permitting requirements (as applicable).
- Project operator's explicit commitment to environmental stewardship and responsible siting and operation.

These basic environmental and project readiness screens help identify obvious conflicts at an early stage. Proposals that do not meet these minimum criteria should be deemed to be problematic and therefore dropped from further consid-

¹ <http://www.cpuc.ca.gov/WorkArea/DownloadAsset.aspx?id=5684> See Table 2
<https://databasin.org/maps/9f1b0370b3a64147b3f07c996f5e58af>

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eration. Those that pass these standards could proceed to a “short list” for further evaluation.

Short List Bid Evaluation Criteria

Once a buyer has deemed that a potential project bid meets minimum standards, the following preferred project criteria can be used to evaluate and compare bids and make an informed decision among proposals on the short list. Preferred projects should have one or more of the following characteristics:

- Located in the built environment (e.g., residential or commercial rooftops, parking lots, etc.).
- Located on mechanically disturbed lands (e.g., previously disturbed for industrial or residential development) or chemically or physically impaired farmland.
- Located on brownfields, superfund sites and other contaminated lands per EPA RE-Powering America Guidelines.
- Located in an area identified for energy development or least-conflict area via a landscape-level planning process (e.g., Desert Renewable Energy Conservation Plan, Designated Leasing Areas, Western Electricity Coordinating Council’s Environmental Data Viewer).
- Located in areas that avoid occupied habitat or important connectivity corridors identified for federal or state threatened or endangered species or other values and resources (e.g., cultural) identified by appropriate agencies.
- No significant environmental or cultural resources impacts identified during due diligence (e.g., U.S. Fish & Wildlife Wind Energy Guideline review) or agency environmental review process (e.g., NEPA or equivalent state review).
- Operational minimization commitments (e.g., bat curtailment, avian risk detection systems, etc.).
- Voluntary conservation investments by project developer (e.g., research host site, voluntary habitat restoration, etc.).