

Procurement Australia facilitates a 10-year Power Purchase Agreement (PPA) with Snowy Hydro, through Red Energy in New South Wales

Procurement Australia is pleased to announce that seven New South Wales councils we are acting for will sign a 10-year Power Purchase Agreement (PPA) utilising the Metz Solar farm near Armadale in the New England region of New South Wales that will provide these councils secure 100% renewable energy for their nominated large market, small market and public lighting sites commencing in a staged approach from January 2023.

The agreement between Snowy Hydro, through Red Energy and Procurement Australia, will allow participants to access and flexibility to solar-driven renewable energy as part of their long-term energy plans for their nominated large market, small market and public lighting sites

This power purchase agreement (PPA) in New South Wales, the second in Procurement Australia's growing energy portfolio after the success of the Victorian iteration with Alinta Energy, will provide participants with solutions to procure more renewables, even in the midst of a volatile energy market.

A third Procurement Australia PPA, also planned for New South Wales, has commenced on the back of intensifying interest from other councils and regulatory bodies.

Mr Roger Whitby, Acting CEO of Snowy Hydro, which wholly owns Red Energy, together with Procurement Australia, said they were elated by the finalisation of the contract.

“Snowy Hydro has been a leader in renewable energy for decades. We are delighted to partner with Procurement Australia and supply these seven NSW councils.

Their purchase of renewable energy demonstrates their commitment to sustainability and emissions reduction. “ Mr Whitby said.

“This power purchase agreement with Red Energy is the result of a competitive product creation and tender process, the overcoming of numerous challenges

presented by Australia's increasingly complex energy landscape, and resilience from Procurement Australia's talented Strategic Sourcing team," said Joe Arena, CEO of Procurement Australia.

Council participants who have committed up to this PPA come from all corners of New South Wales, including Albury, Wollongong and Bega Valley. For Procurement Australia's Strategic Sourcing Director, Brendan Hoare, the commonality they all share is a sense of trust in the process managed by Procurement Australia's energy category experience and expertise.

"A key differentiator for us with all our PPAs is that they are member-led from start to signing," Hoare said.

"Our members in New South Wales told us what they wanted to achieve with a PPA, we listened, engaged in education activities, facilitated a robust market engagement and tender process, negotiated and renegotiated until we reached the result we have today – a PPA that actively responds to differing members' needs in the face of climate change, and their varying renewable targets to address it," he explained.

"Reaching this final signing stage today wasn't easy, but it has been immensely worthwhile. Even in the face of a challenging macro environment, a two-year participant engagement and education process, and the unravelling of other products around us, we've successfully delivered a PPA that is competitive, tailorable, and truly collaborative," said Hoare.

"Ultimately, the signing of this PPA today is an expression of confidence – from our members in our capability to construct a product they can work with, and the market in our ability to skillfully negotiate a product they can put their trust in," he said.

For Arena, this second successful PPA is a sign of more cross-council contracts to come. "This second PPA represents the success and replicability of our methodology built on rigour, a pragmatic approach to market development, and a reputation for transparency.

"Where other aggregator PPAs have fallen at the last hurdle, ours has stood up to every test, allowing us to continually navigate all external pressures to deliver a strong outcome," said Arena.

“This PPA is just the beginning of the work we want to do in New South Wales. We’re already fielding numerous council enquiries for the next New South Wales PPA, and I’m looking forward to collaborating with members and the wider energy market to make it happen as soon as possible,” he said.

The first New South Wales PPA will commence in January 2023.

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About Procurement Australia:

For over 35 years, Procurement Australia has been one of Australia’s leading procurement services companies. We are regarded as a leader in negotiating and facilitating contracts for members and clients with decades of experience across both the private and public sectors.

We always work in partnership with our buyers and suppliers to find innovative and sustainable solutions to procurement challenges. We are focused on delivering the best value for all our members and creating collaborative purchasing arrangements.

Procurement Australia’s full range of services includes:

- advisory services and insurance
- bespoke procurement solutions
- tendered and non-tendered outcomes
- energy aggregation
- office space
- technical category expertise

Audited by the Victorian Auditor-General’s Office, Procurement Australia is also recognised by accreditation according to ISO 9001- 2015 independent global standards.

At Procurement Australia, we are proudly member-led. We always strive to get our members what they want – no matter their industry or how big or small.

At Procurement Australia, we get it