



Cleaning up the future

Northumbrian Water reaches sustainability goals and cuts costs, with a Corporate Power Purchase Agreement

Background

As an industry leader, Northumbrian Water Group supplies both water and sewerage services to 2.7 million customers in the North East, trading as Northumbrian Water. The company also supplies 1.8 million customers in the South East with water services, trading as Essex and Suffolk Water.

Named the world's most ethical water company, Northumbrian Water has a high commitment to sustainability. As large energy consumers, adopting a green, sustainable approach their energy use plays a vital role in their vision: to be the national leader in providing excellent, sustainable water and waste services, at a fair price.

The challenge

Northumbrian Water already has an ambitious sustainable and renewable energy strategy in place. Onsite solar, hydro, gas to grid and advanced anaerobic digestion power generation meets a percentage of their energy requirement. To meet their additional energy needs, they had already partnered with Ørsted, to provide 100% renewable electricity to their UK sites.

However, to achieve the goals and aspirations set out for the next twenty-five years, a long term, innovative approach to Northumbrian Water's energy use was needed, to increase efficiency, manage costs, and deliver value to their customers.



The solution

Ørsted provided Northumbrian Water with a 10-year Corporate Power Purchase Agreement (Corporate PPA), the first of its kind in the UK. This sources 30% of Northumbrian Water's renewable electricity directly from the Race Bank offshore wind farm, off the coast of Norfolk.

As well as supporting the growth of Northumbrian Water's renewable energy activity, the agreement helps to drive down Northumbrian Water's costs of operation, through a long-term fixed price for electricity. The agreement also provides an innovative balancing service of the wind output, so that the electricity can be delivered to Northumbrian Water under their existing supply agreement.

By taking renewable energy direct from a specific wind farm, Northumbrian Water supports the development of new renewable generation, helping to create a net zero carbon nation. Renewable Electricity Guarantee of Origin certificates (REGOS) enable the company to report zero carbon emissions for that electricity.

Corporate PPAs - in a nutshell

Budget certainty: Fix energy prices through agreements of four years or more.

Reduced risk: Protect your business from energy price changes, in a volatile market place.

Increased sustainability: Support the development of renewable energy generation with no investment or upfront cost. A boost to CSR and an important part of building a net zero carbon nation.

Fulfil compliance: Renewable Electricity Guarantee of Origin certificates (REGOS) enable you to report zero carbon emissions. Meet reporting requirements from RE100 and UN Global Compact.

“ This Corporate PPA is not only a first of its kind in the UK; it aligns perfectly with our sustainability goals. The long-term stability this brings is fantastic for us, and great news for our customers and stakeholders, because it reduces operational costs without compromising our work.

Graham Southhall, Group Commercial Director, Northumbrian Water Ltd