

GREEN LIGHTS, CAMERA AND ACTION FOR MAJOR BROADCASTER AND SSE

Major broadcaster switches on to the benefits of a solar power purchase agreement delivered by SSE

The race to net zero is on. And for some of the UK's most ambitious enterprises, the finish line is 2030 - a full twenty years before the Government's target date by which all sectors of the UK should be decarbonised. Achieving these aims will require businesses to be bold. So when a major broadcaster decided it wanted to power at least 30-40% of its electricity requirement at its new studios through onsite renewables, bold and innovative thinking was needed. SSE stepped up and asked us to advise on a long-term structure which would allow SSE to finance, install, operate and maintain rooftop solar panels at its client's studios and sell the renewable power generated by those solar panels to the client. In addition to selling the generated electricity to the client, the structure needed to permit SSE to install the generation equipment on an incremental basis once each studio building had been fully constructed and handed over whilst working alongside the developer who continued to finalise the construction of the other studio buildings elsewhere on the site.

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MORE IMAGINATION MORE IMPACT

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THE CHALLENGE

Once complete, the studios will offer state of the art facilities designed to attract major productions. To help meet not only its sustainability targets – and achieve greater price certainty in an increasingly uncertain time – SSE was asked to install solar panels on the rooftops of each of the new studio buildings. But switching from creating content to producing power is a big leap. And that's where SSE's specialist expertise came in via a long-term private wire power purchase agreement (PPA) – with SSE committing to generate and sell renewable electricity to its client. SSE wanted a lease of the rooftop space to secure long-term access to the solar assets. However, there was the added complexity that SSE's client was waiting for its own lease from its landlord given the site was still under development and the headlease would need to be in place before SSE could be granted its own sublease of the roof space - so interim access arrangements needed to be negotiated to allow SSE's installation team to commence work without delay.

THE IMAGINATION

Our experienced renewables practice delivered solutions-focused advice, drawing on talent from our Energy and Real Estate teams to advise SSE on all aspects of the transaction. Turning new-build complexities into competitive advantage, designing an agile strategy that could meet the needs of all stakeholders and flex as the pieces inevitably moved.

Collaborating closely with all parties, we structured the contract with the ongoing construction in mind. So SSE had clarity over when they could begin work on each building whilst construction continued elsewhere on the site. And SSE's client could rest assured the project would meet its green ambitions, with Renewable Energy Guarantees of Origin (REGO) certificates being supplied as part of the deal.

THE IMPACT

This multi-million pound studio development is a flagship project for SSE's client, and key to securing the client's net-zero ambitions. With a

bespoke PPA that enables SSE to work alongside the developer of the site, solar panels can be installed as and when buildings are completed. Keeping the pace of development moving and enabling SSE's client to go green sooner. The studios will have their own long-term private onsite renewable electricity supply with an installed capacity of c. 3MWdc, which is expected to supply SSE's client with up to c. 2.6 GWh of electricity a year. As the spotlight shines brighter on net zero, this rooftop solar deal is a great example of how corporates can make their operations greener and more sustainable with renewable generation assets onsite, with no upfront capital costs and without compromising on space, whilst also simultaneously limiting their exposure to wholesale electricity market fluctuations by entering into a long-term arrangement for an agreed price.

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We really enjoyed working with the SSE Distributed Energy team on this transaction. This deal is a great example of how corporates can use their own or neighbouring land to install renewable assets, with a view to decarbonising their operations and securing a long-term green power supply via a private wire PPA.

Anthony McDonnell, Legal Director,
Addleshaw Goddard

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They provide excellent advice and drew from their past experience to help quantify key risks, which ensured we could identify win-win scenarios in the more difficult parts of the negotiations. They were very supportive and were willing to pick up the phone at any time to help get the deal done.

Tunde Olaoye, Director,
SSE Energy Solutions

