Written Testimony Of
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Good morning Chairman Murkowski, Ranking Member Cantwell, and members of the Committee. Thank you for inviting me to share the views of Rocky Mountain Institute and its Business Renewables Center on the state of corporate procurement of renewable energy, cost reductions across the energy markets, and the longer-term implications for energy development in the United States.

My name is Lily Donge and I am a principal at the Rocky Mountain Institute, where I help lead the Business Renewables Center. The BRC is a membership-based organization that helps streamline and accelerate corporate purchasing of off-site, large-scale wind and solar energy.

The BRC currently works with over 200 members on both the buyer and developer side, and BRC's corporate membership includes companies like Amazon, Walmart, Owens Corning and FedEx. The BRC provides member education, software platforms for market analysis and transactional support, and consulting-based solutions for companies investing in renewable energy products. To date, nearly 40 companies have transacted for over 7.5 gigawatts (GW) of wind and solar projects across the United States – with BRC members accounting for 93 percent of all corporate renewable energy deals.

I am here today to discuss the falling costs of renewable energy technologies like wind and solar power, and how those reductions are leading to increased procurement by some of the largest and most influential American businesses.

The rise of corporate purchasing of renewable energy is dramatic and indicative of broader trends in the energy markets. 2015 was a breakout year, as corporate purchasers led by companies like Google, Kaiser Permanente and General Motors completed 3.25 GW of renewable energy deals, more than double 2014's figures. Last year was the second strongest year on record, with just under 1.5 GW of build, and 2017 is already outpacing 2016 through May of this year.

Large companies decide purchase wind or solar for a variety of reasons: cost advantages for renewables exist today in various places around the country. Many companies want to lock in low wind and solar prices as a hedge against rising fossil fuel costs. And sustainability is becoming a major motivating factor for business leadership. As of this year, 66 percent of Fortune 100 and 40 percent of Fortune 500 companies have public sustainability commitments. And 96 companies have committed specifically to achieving 100 percent renewable energy.[1]

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[1] http://there100.org/companies

Corporate interest in renewables has scaled quickly. In 2012, there was only one renewable energy transaction – a 50 MW wind deal done by Google. In contrast, 2017 has seen six transactions in the first six months so far, totaling one gigawatt of energy. And the primary force driving this expansion has been technology cost reductions, as installed wind and solar costs have fallen 40 percent and 64 percent since 2008, respectively, per the Department of Energy (DOE)[2]

To underscore this point – in conversations with BRC members, it is very clear that most of these companies would not seriously consider a renewable energy investment if the costs were not competitive with fossil fuels. Lawrence Berkeley National Laboratory found that the average PPA price for wind power in the U.S. interior in 2015 was in the $20/MWh range, down from $55/MWh in 2009.[3]

Because companies care about economics and cost, my team is rolling out a fair value tool so that companies can understand the economics of a wind or solar project at over 4,300 grid connection nodes across seven electricity markets.

With projects in 19 different states, BRC companies are making decisions based on market opportunity and in areas where they have a vested interest in the local community regardless of politics. In fact, for the large companies that want to power their operations in your states with clean energy, open market conditions are a key enabling factor in their decision-making process on where to purchase.

As President Trump moves to exit the Paris Climate Agreement, the United States faces fewer leadership opportunities in a clean energy industry that is seeing more demand – not less – from the most significant multinational companies around the world. The cost curves for renewable technologies continue to point downwards, and without the United States' leadership, companies and investors will naturally seek out more vibrant and growing markets.

We would look forward to a Senate that supports market forces, gives consumers more choice, and supports new technologies to ensure a strong and flexible grid.

Again, I would like to thank the Committee for the opportunity to testify here today.

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[2] https://www.energy.gov/sites/prod/files/2016/09/f33/Revolutiona%CC%82%E2%82%ACNow%202016%20Report_2.pdf
[3] https://emp.lbl.gov/sites/all/files/2015-windtechreport.final_.pdf