[Local Government Name] has an opportunity to work with nearby [local governments, public institutions, corporations] to substantially advance our renewable energy goals through a procurement method know as aggregation. [Local Government Name] is [X]% of the way toward meeting our goal of serving [X]% of [our municipal operations, community wide] electricity needs with renewable energy by [Year]. To meet this goal, we will require [X MW/MWh] of renewable energy. However, we can only meet [X amount] of this with [on-site, community solar, local] generation, so off-site renewable energy will be essential to achieve this goal. While [Local Government Name] can pursue off-site renewable energy power purchase agreements (PPAs) independently, partnering with others on an aggregated procurement will enable us to meet our goals more cost-effectively while supporting the development of a new, large-scale renewable energy project.

**What is aggregation?**

Aggregated, large-scale, renewable energy procurement (aggregation) is a process in which two or more organizations partner to purchase renewable energy or renewable energy certificates (RECs) from the same generation facility. These transactions can be structured as off-site physical PPAs or virtual PPAs.

**How does aggregation work?**

Multiple organizations interested in purchasing renewable energy organize themselves into a procurement group with an agreed upon governance structure. The parties then collectively work to identify and select projects that meet the group’s requirements. Once a supplier has been identified, the group negotiates a template contract with the project’s owner, allowing group participants to sign similar, but separate, contracts for the generated electricity.

**Why is [Local Government Name] considering aggregation?**

Aggregation could provide a number of important benefits above and beyond those provided by a typical physical or virtual PPA, such as:

1. *Bigger Impact*: By pooling demand for renewable electricity, aggregation groups can enable the development of much larger projects and enable additional participation from smaller communities that, by themselves, do not have sufficient load to attract the attention of developers.
2. *Improved Economics and Prices*: Larger renewable energy projects and transactions have the potential to provide electricity at a lower cost due to their greater economies of scale.
3. *Shared Expenses*: Aggregation groups can reduce the level of expenses incurred by any one participant by pooling their resources and collective knowledge.
4. *Access to Additional Projects*: Aggregation groups have the potential to attract more attention and proposals from developers by providing a larger pool of interested buyers.
5. *Reduced Risk*: Due to their large collective electricity demand, aggregation groups may be able to select multiple renewable energy projects, thereby lowering participants’ exposure to and reliance on any one individual project.
6. *Built-In Peer Network*: Our internal teams can benefit from the collective knowledge, capacity, and insights brought by our aggregation partners.
7. *Positive Network Effects and Compelling Communications*: [Add information about any specific benefits anticipate for your jurisdiction].

**What are we considering?**

*Our Role*: [Anchor offtaker, Offtaker, Deal facilitator, etc. Consider adding language to describe the role’s responsibilities in more detail.]

*Desired Deal Characteristics*: We are considering a [physical PPA, virtual PPA] for [solar, wind, other] located in [add more details].

*Project Timeline*:

* [Month Year] – [Month Year]: Identify project partners, establish a group governance structure, and align on desired project attributes.
* [Month Year] – [Month Year]: Develop and issue an RFP.
* [Month Year]: Select a supplier and sign the contract.
* [Month Year]: Commence operations of the project.

**Frequently Asked Questions:**

***How is this different from Community Choice Aggregation?***

* Community choice aggregation (CCA), also known as municipal aggregation, enables local governments to procure electricity on behalf of their residents, businesses, and municipal accounts. CCAs are only possible in states that have passed enabling legislation, and interested municipalities in these states must also authorize the creation of a CCA. Aggregated, large-scale, renewable procurement is a method of purchasing electricity. Local governments can use it to purchase renewable electricity for their operations, and CCAs or municipal utilities can use it to sustainably power entire communities.

***What are the available transaction structures?***

* Aggregation groups can purchase renewable electricity through an off-site physical PPA or a virtual PPA.
  + [In a physical PPA](https://cityrenewables.org/off-site-physical-ppa/), buyers purchase electricity from a large-scale, off-site renewable energy generator to use at their facilities.
  + [In a virtual PPA](https://cityrenewables.org/vppa/), the buyer pays a fixed PPA price and receives the variable wholesale electricity price along with the associated renewable energy certificates (RECs). Unlike a physical PPA, the buyer does not take ownership of or receive the produced energy, and there is no direct impact on a buyer’s physical operations or utility bills. Virtual PPAs can also be thought of as variable-priced REC contracts, in that the buyer is essentially purchasing RECs at a price that will vary based upon energy market conditions.

***Has anyone done this before?***

* Yes! There are several case studies on aggregated transactions completed by the cities, corporations, and other organizations, including the following:
  + [City of Melbourne, City of Moreland, City of Port Phillip, City of Yarra, and 10 other corporations and public institutions](https://www.melbourne.vic.gov.au/business/sustainable-business/mrep/Pages/renewable-energy-procurement-guide.aspx) in the greater Melbourne area
  + [Massachusetts Institute of Technology, the Boston Medical Center, and the Post Office Square Redevelopment Corporation](https://www.abettercity.org/docs-new/Innovation_Through_Aggregation.pdf)
  + [Bloomberg, Cox Enterprises, Gap Inc., Salesforce, and Workday](https://www.greenbiz.com/article/how-bloomberg-cox-gap-inc-salesforce-and-workday-combined-clout-buy-clean-power)
  + [AkzoNobel, DSM, Google, Philips](https://cdn.change.inc/download/501/2017-12-07-brc-the-dutch-wind-consortium-case-study.pdf)
  + [Arlington County, Virginia and Amazon](https://newsroom.arlingtonva.us/release/arlington-county-partners-with-dominion-energy-to-help-achieve-energy-goals/)