

Renewable generation to achieve net-zero



The UK has made a binding commitment to become carbon net-zero by 2050. Climate change has become a strategic priority for all stakeholders in society, including businesses, investors, banks, energy companies and central and local government.

A key pillar to achieving net-zero emissions is the generation of clean, renewable energy. The deployment of renewable energy in the UK has grown rapidly in recent years across a range of technologies, including solar PV, onshore wind, offshore wind, bio waste/anaerobic digestion, energy from waste and battery storage.

Why is it important?

While this is positive, research suggests that the UK needs to deploy 1.5 GWs per year of solar and onshore wind capacity through the 2020s to reach the levels of deployment needed to achieve net-zero¹. The question of how we are going to achieve deployment at such scale hasn't yet been settled.

While no consensus model has emerged for the deployment of subsidy free renewable generation projects at scale, it's clear that new build generation projects developed in the 2020s will look considerably different to those that were built out in the 2010s.

Emerging Trends / Business Models

So, what do developers and funders that want to deploy a pipeline of new-build renewable generation projects in the 2020s need to consider?

We are seeing a range of emerging trends and new business models that could be used to commercialise subsidy free renewable generation projects at scale.

These include:

- the integration of **energy storage** technology with other forms of renewable generation as a means of accessing new revenue streams and providing baseload power
- taking greater control over trading operations and taking on increased **merchant risk**
- utilising **behind-the-meter** or **private wire** opportunities with commercial and industrial customers
- entering into long term **corporate PPAs** as a means of unlocking and financing new build subsidy free renewables projects
- making use of innovative **grid sharing arrangements** to increase efficiencies and reduce project costs

START

ENERGY
TRANSITION

NET ZERO
2050



Emerging Trends / Business Models (continued)

- taking advantage of new revenue stream opportunities, particularly through providing **balancing and flexibility services** to Distribution Network Operators (DNOs) and National Grid
- opening up the **capacity market** to renewable generation projects; and
- using **technology** to optimise performance, including through the use of AI big data, block chain technology and the internet of things.

These models can vary significantly in terms of how they are structured, key commercial considerations, risk

profiles and the legal work needed to transact. They also do not necessarily sit well within tradition funding structures (such as project financing) which place such an emphasis on long-term certainty.

This, together with a constantly evolving regulatory landscape, means it is crucial that you work with an innovative law team who truly understand the renewable energy sector and who can facilitate the delivery of renewable generation projects by cutting through the detail to provide commercially focused legal advice that really adds value.

Why Weightmans?

Our energy and utilities team has extensive experience in all types of renewable energy projects. We are a dedicated national team of energy lawyers who are experts in their fields. Our lawyers have backgrounds with big City law firms, international law firms and senior in-house positions within the energy industry.

We have the capabilities and strength and depth of all of the top legal practices in the UK and provide all of the legal services that you would expect across the entire lifecycle of a renewable generation project and in order to achieve your strategic objectives.

However, we do things differently. We set ourselves apart from other law firms as we are committed to tackling climate change, at the same time working with our clients as business partners to ensure that we deliver true client service and stand behind it, supporting them all the way.

For further information on how to get ready, please contact:



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