



City of Melbourne

Adviser to the Melbourne Renewable Energy Project buying group

November 2017

On 23 November 2017, the Melbourne Renewable Energy Project (MREP) announced the preferred supplier as part of the 10 year renewable power purchase agreement negotiated on behalf of 14 member organisations.

Led by the City of Melbourne, the buying group plans to procure 88 GWh sourced from a new wind farm at Crowlands, in Western Victoria. The group is working to finalise contracts with the wind farm developer – Pacific Hydro. Energetics provided technical advice, stakeholder education and commercial due diligence services throughout the process.

Approach

Seeking to procure a sufficient volume of electricity to support the development of a new, large-scale renewable energy facility, the City of Melbourne initiated an innovative new group purchasing model with the support of public and private sector organisations, including nab, Australia Post, RMIT University, Federation Square, University of Melbourne, Zoos Victoria and the Melbourne Convention and Exhibition Centre. Energetics helped the City of Melbourne by providing:

- advice on the contracting model, procurement process and documentation
- commercial and technical due diligence on the offers received
- market forecasts and modelling benefits
- negotiation support with tenderers
- Request for Information and Request for Proposal documentation and returnable schedules.

Outcome

Following a group tender process, proposals were requested to supply renewable energy over a 10 year period. Those submitting proposals were also asked to show benefits for the community and Victoria's economy. Tango Energy, the retailing arm of Pacific Hydro, was selected as the preferred supplier. Working with the MREP team and advised by Energetics, an innovative, flexible contract was developed, designed to accommodate the needs of the 14 members of the buying group.

[Click here to read more about the Melbourne Renewable Energy Project.](#)

“From the outset, Energetics played an essential role as part of the MREP team, providing specialist advice backed by expert technical knowledge and energy market insights.”

Kate Vinot, Director City Strategy and Place, City of Melbourne