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BY
ALTENEX

CASE STUDY:
Iron Mountain—
Scaling Renewables to
Match the Enterprise



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Iron Mountain Incorporated is the global leader in storage and information management services.

More than 230,000 organizations of all sizes and industries—including 95 percent of the *Fortune* 1000—rely on Iron Mountain as the trusted guardian of their most important and precious information assets. With more than 65 years' experience and expertise, security and trust form the cornerstone of the company's business and value to its customers. The company's fundamental business promise is built around safe, reliable, long-term security of customer information. It's no surprise that Iron Mountain found an alignment with the long-term stability and value of renewable energy.

After some experience with smaller scale, on-site solar strategies, Iron Mountain began to explore options to access much larger quantities of renewable energy, including power purchase agreements (PPAs). PPAs provide off-takers with energy price certainty, volatility risk protections and greenhouse gas emissions reductions.

Iron Mountain recognized early on that specialized assistance from a renewables expert would help expand its capabilities. They hired Altenex, an Edison Energy Company and an independent renewable energy advisor that helps companies identify, analyze and execute renewable energy supply agreements.

THE CHALLENGE—CAN RENEWABLES SERVE SMALLER LOADS?

As Iron Mountain and Altenex developed the company's renewables strategy and project selection criteria, it was clear that Iron Mountain was going to need to find right-sized renewables projects.

This underscores one of the central challenges of expanding the U.S. renewables market: How do companies that can't off-take utility-scale projects on their own participate? Can smaller companies source renewables? Can bigger companies assemble portfolios of renewable energy built up from smaller-than-utility scale tranches of off-take?

The answer is a resounding yes.

WIND TRANSACTION #1—PJM

Utilizing Altenex's comprehensive market review, Iron Mountain selected the Ringer Hill Wind Farm located in Somerset County, Pennsylvania, approximately 60 miles southeast of Pittsburgh. In December 2015, Iron Mountain signed a 15-year PPA for 26.6 megawatts (MW) of off-take. Iron Mountain's PPA allowed Ringer Hill Wind Farm to secure financing for construction. The Ringer Hill PPA increased Iron Mountain's renewables purchasing to almost 30 percent of its total U.S. load, an increase of 26 percent over 2016.

WIND TRANSACTION #2—ERCOT

With Ringer Hill underway, Iron Mountain was ready to add on to its portfolio. As the project identification process began, Texas wind offered the best economics in the market. Iron Mountain was interested in a 20-30 MW tranche, but the Texas development market skews heavily toward much larger projects. The challenge was to find an available slice of a larger project that met Iron Mountain's economic and additionality criteria.

Iron Mountain and Altenex identified a right-sized opportunity from a much larger project than



would normally be accessible to an organization with a load size similar to Iron Mountain's. The transaction utilizes an "anchor tenant" model. The primary project off-taker didn't require the full capacity of the project. Iron Mountain signed a 25 MW PPA that ensures the project is built out to its full designed capacity when it is scheduled to go on line in late 2017.

ON-SITE SOLAR

Like most companies evaluating renewables, Iron Mountain has considered on-site options. The nature of their facilities portfolio limits on-site potential, but Iron Mountain is deploying solar where conditions permit. With two megawatts (MW) currently installed, Iron Mountain plans to add up to four MW per year for the next two to four years.

KEY LESSONS

Kevin Hagen, Iron Mountain's Director of Sustainability, identified a series of key takeaways from the company's renewables experience:

- › **Start small and scale up:** Hagen has described this as a Crawl, Walk, Run evolution. For Iron Mountain, early, smaller-scale pilot projects provided the insight they needed to take on bigger efforts, ultimately sprinting into a national-level portfolio.
- › **Be a fast follower:** Iron Mountain tracked some of the early corporate renewables efforts carefully, and engaged with those stakeholders to leverage their lessons learned. That allowed Iron Mountain to take a more mature approach to the market once it entered.

- › **The core value proposition is stability:** Iron Mountain is a long-term enterprise with long-term operations costs and exposure to energy price volatility risk. Renewables' inherent risk protection and cost stability provide a compelling business value that aligns with Iron Mountain's core activities.
- › **Renewables can be complicated—get some help:** The amount of information—project pipeline, economic and risk analytics, project- and developer-diligence, etc.—to be managed in a corporate renewables procurement tends to exceed companies' internal staff capacity. Engaging an independent, expert advisor was critical to Iron Mountain's ability to move forward.

“Renewables' inherent risk protection and cost stability provide a compelling business value that aligns with Iron Mountain's core activities.”

KEVIN HAGEN

Director of Sustainability
Iron Mountain



A wind turbine farm being constructed in Ringer Hill, Pennsylvania

- › **Collaborate internally and externally:** Effective execution of a corporate renewables strategy requires the participation and contributions of multiple departments, including Finance, Facilities, Treasury, Procurement, Operations, Legal and more. Additionally, it requires a look across the company to understand both current and future energy needs to support the faster-growing parts of the business. For example, Iron Mountain's Data Centers business is expected to grow significantly in the next few years. Concurrent with that growth will be the need to utilize renewable sources for cost stability and predictability; as of April 2017, Iron Mountain's Data Center business is 100 percent powered by renewable energy sourced from the Ringer Hill wind farm. On the external front, Iron Mountain engaged an outside advisor, and sought intelligence and lessons-learned from developers, corporate peers and NGOs. Ultimately they became members of the EPA Green Power Partnership and the Business Renewable Center, as well as a signatory to the Renewable Energy Buyers' Principles. The company also participates in the Renewable Energy Buyers Alliance (a project of the World Wildlife Fund), World Resources Institute, Business for Social Responsibility and Rocky Mountain Institute.

Edison Energy is an independent energy advisory and solutions integration company with the capabilities to develop and implement a broad portfolio of energy services for commercial, industrial and institutional organizations. We help customers reduce their energy costs, improve the environmental performance of their operations, ensure energy resiliency and manage exposure to energy price risk.