

Cinemark Inks 40 MW Wind Purchase Agreement



Project: Cinemark committed to a nine-year, 40 MW virtual purchase power agreement (VPPA) with AEP Energy Partners, taking energy from the repowered 20-year old Trent Mesa Wind Energy Center in Nolan County, Texas. The deal - advised by Schneider Electric's Energy & Sustainability Services team - represents approximately 38% of Cinemark's current total annual domestic electricity demand, equivalent to the consumption of 120 Cinemark theaters.

SED and the Project Origins: Art Justice, Cinemark's VP of Energy and Sustainability, attended the Smart Energy Decisions' 2017 Renewable Energy Sourcing Forum. After he participated in multiple designated one-to-one meetings between buyers and solutions providers, Justice was convinced that the time was ripe for his company to move forward with a PPA. He further explored the concept with Schneider Electric's John Hoekstra, who explained how they could help walk Cinemark through the PPA strategy and procurement process. Shortly thereafter, Cinemark engaged Schneider to assist in its efforts.

Purchasing Process: Schneider leveraged its extensive portfolio of domestic and international renewable development partnerships to give Cinemark access to best-in-class projects in U.S. markets, while sizing the project to align with Cinemark's goals. Schneider also guided internal Cinemark stakeholders through the complex transaction, identifying a developer aligned with Cinemark's needs relating to price, credit support, asset performance obligations, and contractual terms. Cinemark ultimately selected AEP, in part owing to Cinemark's strong existing relationship with the company.

The Value of SED to Corporate Buyers: Cinemark's Justice recommends SED gatherings as a way to quickly determine who is doing what in the marketplace, with the ability to get experience from other buyers while sizing up the market offerings. **"It's really the ability to meet, compare the services, and make the choice over a shorter period of time rather than trying to arrange multiple meetings over weeks or months in order to compare products and services."**

The Value of SED to Developers & Advisors: Brian Whitlatch, AEP's Managing Director for Energy Marketing, comments that AEP has attended two SED events and appreciates the fact that SED helps educate potential buyers even before they enter into the conversation about a possible power purchase. Hans Royal, Director of Strategic Renewables for Schneider Electric, characterized the SED one-to-one conversation as instrumental in the developing relationship between Schneider Electric and Cinemark that eventually led to the successful transaction and noted, **"It's a win-win community that's helping to expand and develop the market."**



Art Justice,
VP of Energy & Sustainability, Cinemark

"The value of the one-on-one to me is that you are able to speak with several different companies in an event lasting a couple of days and you can have conversations with different organizations in a short timeframe. It's very efficient."



Brian Whitlatch,
Managing Director, Energy Marketing, AEP

We have found SED an extremely beneficial conference because it brings the sell side and buy side community together. It's better than aimlessly walking around conference halls, and provides a well-organized mechanism in which to reach out and talk to those prospects who would be the most beneficial to talk to."



Hans Royal,
Director of Strategic Renewables,
Schneider Electric

"SED events have been valuable in helping us identify and connect with market leaders like Cinemark while also providing a key platform for us to educate corporate buyers about their renewable energy procurement options."



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