

McDonald's Super-Sizes a Commitment to Sustainability



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Project: A 220 MW virtual power purchase agreement between quick service restaurant company McDonald's and Aviator Wind West to buy power from the country's largest single-phase, single-site wind project. Developed by Apex Clean Energy (Apex), the 525 MW project in Coke County, Texas, will be commissioned in 2020.

SED and the Project's Origin: In early 2018, McDonald's became the first restaurant company to set a science-based target, with plans to reduce GHG emissions from offices and restaurants by 36% by 2030 (from 2015 levels). The company also committed to reducing emissions intensity by 31% across its entire supply chain by 2030.

Manager of North American Sustainability Emma Cox attended the 2018 Smart Energy Decisions (SED) Innovation Summit in Austin, Texas to evaluate renewable energy supply opportunities. A major challenge was trying to tie the activities of the restaurant chain's 14,000 restaurants into the company's sustainability goals and identifying clean energy solutions for a franchised portfolio.

"We have a concept called 'the three legged stool,' the idea that our suppliers, our corporation, and our franchisees all sit as equal legs of the stool and the business sits on top of those legs. If any of those legs are short the business doesn't perform optimally."

During the SED event, Cox took part in the pre-scheduled one-to-one meetings with solutions providers, and that's where she first met representatives from Apex.

Purchasing Process: In order to further explore the opportunities and get advice on various options, the McDonald's team engaged CustomerFirst Renewables (a sponsor of the 2020 Renewable Energy Sourcing Forum). After a thorough vetting process, Apex was selected and a contract negotiated.

The Value of SED to Corporate Buyers: Cox comments that SED and its events were extremely useful in accelerating the entire purchase process.

"The renewable energy world and market is changing so quickly that we lean on groups like SED to have their finger on the pulse of what's new. SED was one of the top resources we used to help us during our exploration period. SED played an important role in identifying players and consultants that could help us solve our unique challenges."



Emma Cox,
Manager of North American
Sustainability, McDonald's

"Why go? SED has been one of the best quality content providers that I have worked with on renewable energy. I appreciate the amount of care that goes into the selection of the content and the newness of the information. The other thing I love about SED events is that it levels the playing field for all stakeholders. Whether service provider or end user, there is something for everybody."



Ed du Moulin,
Director of Business Development, Apex Clean Energy

Du Moulin characterizes SED as "cultivating meaningful connections between buyers and sellers that are really active in the space and pursuing deals that move the needle on renewable energy advancement. We find the one-to-one meetings meetings incredibly fruitful; these sessions enable us to meet with potential customers for a dedicated 20 minutes, learning where they are in the process and sharing how Apex can provide a creative solution to fit their needs and priorities."

Smart Energy Decisions events carefully curate experiences designed to help corporate buyers and suppliers succeed. They create a trusted community of companies that meet to discuss challenges and to develop solutions in an increasingly complex energy environment. We invite you to join us! www.smartenergydecisions.com

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The Value of SED to Developers: Apex Clean Energy Director of Business Development Ed du Moulin notes that the Austin event provided a good opportunity to connect with Cox and understand the restaurant company's sustainability goals and the challenges related to serving its franchisees. During the RFP process in early 2018, Apex offered an in-person presentation at the McDonald's headquarters in Chicago, *"which is where we first really saw the alignment between our organizations and the overlap in culture. Their sustainability program, based on science-based targets, parallels closely with Apex's mission to accelerate the shift to clean energy. Together with our partners, how does Apex scale that transition, move as quickly as possible, and bring about that change?"*



What's Next for McDonald's: driven by bold social and environmental commitments, under its "Scale for Good" sustainability platform is continuing to use its "scale and reach" to address climate change in a meaningful way. While the 220 wind PPA (and a 160 MW solar purchase) deal was a huge step in McDonald's climate action journey, Cox is already looking forward to the company's next big renewable energy initiative.

"McDonald's believes it may have the ability to help others procure renewable energy," Cox asserts, "so it's looking for ways to help smaller buyers like our franchisees for example. Big corporate buyers have access to renewables through PPAs, but currently there's not a solution for smaller buyers, who, as an example, may not have investment grade credit, so how can we bring those players in? We see that as being a perfect example of how we might use our scale for good and hope to make progress soon."



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