

Honda Partners with Edison Energy on Renewable Energy

Biggest clean energy procurement in automotive history

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EINPresswire.com/ -- Edison Energy LLC
(Edison) is pleased to have helped
Honda become a leader in the global
automotive industry in slashing CO2
emissions by consulting on the
purchase of enough wind and solar
energy to cover over 60% of the electricity Honda uses in North America.



Edison helped facilitate two long-term virtual power purchase agreements (VPPAs) that Honda announced today for 320 megawatts (MW) of renewable power capacity from Oklahoma and Texas, including an innovative “collar” structure to shield Honda from energy price fluctuations.



We applaud Honda’s environmental leadership, and we’re proud to have advised them on solutions that reduce their business risks at the same time as they shift to more renewable energy to reduce carbon”

Oded Rhone, CEO of Edison Energy LLC

Together the purchases are among the largest VPPA commitments in the U.S. market. They will fully offset the remaining carbon-intensive electricity Honda gets from the grid for its manufacturing plants in Ohio, Indiana, and Alabama, and reduce more than 800,000 metric tons of CO2 equivalent emissions annually, as much as the energy use of 100,000 U.S. households.

Honda will buy 530,000 megawatt-hours (MWh) per year of wind power starting next year from the Boiling Springs Wind Farm in Oklahoma, developed by the energy company E.ON. Then in fall of 2021, Honda will secure an

additional 482,000 MWh per year of solar power from a Texas facility (to be announced closer to completion). Honda will continue to purchase electricity from the local utility for each manufacturing facility, but will receive and retire renewable energy certificates (RECs) equal to the power produced through the VPPAs, resulting in net zero CO2 equivalent emissions from the electricity use within Honda’s Ohio, Indiana, and Alabama manufacturing operations.

Honda currently sources 21% of its electricity in North America from extremely low and zero CO2 sources, including 7.3 MW of renewable wind and solar power it has installed at its own facilities. The VPPAs will raise Honda’s total use of renewable electricity to more than 80% for North America.

“These combined VPPAs will help Honda meet its CO2 reduction goals by adding clean renewable electricity and by de-carbonizing the electricity grid,” said Ryan Harty, manager, Connected and Environmental Business, American Honda.

For the Oklahoma wind deal, Edison assisted Honda with setting up an innovative “collar” structure. It sets upper and lower bounds on Honda’s exposure to energy market price fluctuations in any given quarter, reducing Honda’s exposure to price spikes while resulting in strong and stable revenues for the renewable power operators.

Such innovative deals can help expand the market for renewable energy. “We hope the addition of a ‘collar’ to the Boiling Springs project will encourage other companies to consider VPPAs as a method to secure renewable power and reduce climate-altering carbon emissions,” said Honda’s Harty.

“Customers are faced with increasingly complex energy decisions, including rapidly evolving technologies, changing regulations and policies, price volatility, and increasing environmental concerns,” said Oded Rhone, CEO of Edison. “We applaud Honda’s environmental leadership, and we’re proud to have advised them on solutions that reduce their business risks at the same time as they shift to more renewable energy to reduce carbon emissions.”

Honda's Commitment to Reduce CO2

Honda is committed to reducing its total global company CO2 emissions by 50% by 2050, compared to the year 2000. Toward that goal, two-thirds of Honda’s global automobile sales by 2030 will be comprised of electrified vehicles, including hybrids, battery electric and fuel cell electric vehicles. The generation and purchase of renewable energy contribute to Honda’s efforts to reduce the environmental impact of its products during the customer in-use phase, as well as throughout their life cycle, including emissions from manufacturing, distributing, and selling Honda and Acura products in North America.

About Edison

Edison Energy, an independent energy advisory and services company, provides corporations, universities and institutions with leading advanced analytic capabilities and commercial structuring advice to manage energy and sustainability in today’s rapidly changing landscape. Edison Energy creates a competitive advantage for global market leaders by quantifying energy risk and opportunities and designing the portfolio solution to protect and enhance shareholder value in light of complex energy policies, technological advancements and new products. This includes providing comprehensive renewable energy advisory and procurement services focused on analyzing and mitigating risk while improving sustainability within each client’s energy portfolio. For more information about Edison Energy, visit www.edisonenergy.com.

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