

# AMP Capital signs renewable electricity agreement to accelerate Zero Net Carbon target

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AMP Capital media team

AMP Capital today announced it has signed a seven-year renewable Power Purchase Agreement (PPA) with Diamond Energy. This agreement means AMP Capital's Wholesale Office Fund (AWOF) has achieved Zero Net Carbon for its internally managed assets from 1 January 2021 – well ahead of its 2030 target.

The renewable energy procurement strategy is one of a number of initiatives towards achieving Zero Net Carbon across AMP Capital's entire \$28 billion of managed real estate portfolio by 2030. Fund Manager Kit Georgeos said it was a proud achievement for AMP Capital and its investors.

“The signing of this renewable electricity agreement marks a significant milestone for the portfolio and for our investors. It allows us to deliver on our commitment to achieve long-term sustainable outcomes across the real estate assets we manage and support a renewable energy future. Importantly, it's

being delivered in a way that is cost-neutral relative to the price the Fund has paid for electricity over recent years.”

The electricity procured through the contract is linked to solar farms in central NSW. AMP Capital will procure and retire renewable energy certificates that match 100% of AWOFF’s base building electricity consumption. This means that there are zero carbon emissions associated with the electricity consumed by the base building services, including the air conditioning and lifts.

Tony Sennitt, Managing Director, Diamond Energy said, “We are proud to partner with AMP Capital and look forward to helping to bring to life their commitment to achieving zero net carbon by 2030. Agreements like these go a long way to reducing carbon emissions and supporting new renewable energy projects in Australia.”

As outlined in AMP Capital’s 2030 real estate sustainability strategy, AMP Capital has a Zero Net Carbon target for its entire managed real estate portfolio by 2030, covering Scope 1 and 2 emissions. Renewable energy procurement is the most significant component of this strategy.

According to Chris Nunn, Head of Sustainability, for AMP Capital’s Real Estate team, renewable PPAs are an established cost-effective path to buying large volumes of renewable electricity and can offer lower and more predictable energy costs and shield the energy buyer from volatile electricity prices. This evidences the increasing maturity of the renewable electricity

market in Australia and Mr Nunn said, “The signing of this renewable electricity contract helps support the viability of new solar farms and provides a market signal that there is demand for more renewable electricity generation facilities to be built. The contract also supports clean energy jobs and the orderly transition away from fossil fuel dependence in Australia.

“We are proud to be able to show that a major commercial real estate portfolio can achieve zero net carbon in a cost neutral way at a price that is less than what we’ve paid for traditional electricity, and that supporting renewables and combatting climate change is not only the right thing to do for the environment but also cost effective for our investors.”

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### **About AWOFF’s Zero Net Carbon commitment**

AWOF has been committed to achieving Zero Net Carbon by 2030 (Scope 1 and 2 emissions\*) since 2017. In late 2018, AWOFF became a founding signatory to the World Green Building Council (WGBC) Net Zero Carbon Buildings Commitment.<sup>1</sup>

Becoming carbon neutral by 2021 is just one of the ambitious long-term targets that makes AWOFF an attractive investment for sustainability focused

investors. Others include lifting the portfolio's NABERS average Base Building Energy rating to 5.5 Stars by 2030 and delivering a pipeline of highly sustainable flagship assets like Quay Quarter Tower, which was awarded a 6 Green Star design rating in 2019.

### **AMP Capital's commitment to addressing climate change**

Climate change is the greatest Environmental, Social and Governance (ESG) challenge facing investors today, with the World Economic Forum rating "extreme weather events" and "failure to mitigate or adapt to climate change" as two of its top global risks<sup>2</sup>. As a real estate manager, AMP Capital understands and acknowledges the reality of human induced climate change and we are taking strong actions to de-carbonise and adapt our real estate portfolio.

For more information on AMP Capital's 2030 real estate sustainability strategy visit <https://www.ampcapital.com/au/en/capabilities/real-estate/sustainability>.

### **About Diamond Energy**

Diamond Energy has been operating in Australia since 2004 and through its existing retail and generation licenses, it currently supplies to both residential and commercial customers as well as owning/operating a range of green accredited biogas, solar, battery and wind generation plants across the NEM.

\*Scope 1 emissions are direct emissions from owned or controlled sources such as diesel generators, gas for heating and refrigerants. Scope 2

emissions are indirect emissions from the generation of purchased energy.

\*Scope 1 and 2 only. The renewable PPA for AMP Capital managed AWOF assets ensures 100% of the assets' electricity load is balanced with renewable energy credits sourced from the solar farms. This strategy will take AWOF's scope 2 emissions to zero.

<sup>1</sup> Links: <https://www.worldgbc.org/commitment-signatories?cat=business>;  
[https://www.worldgbc.org/sites/default/files/007\\_NZCB%20Commitment%20Profile\\_Business\\_AMP%20Capital.pdf](https://www.worldgbc.org/sites/default/files/007_NZCB%20Commitment%20Profile_Business_AMP%20Capital.pdf)

<sup>2</sup> World Economic Forum – The Global Risks Report 2019, 14th Edition