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**CASE STUDY:**  
The Home Depot—  
A Multi-Dimensional  
Renewables Strategy



# The Home Depot—A Multi-Dimensional Renewables Strategy

**The Home Depot (NYSE: HD) has more than 2,200 retail locations across all 50 states, the District of Columbia, Canada, Mexico, and multiple U.S.**

**territories.** As a result, the retailer has implemented on- and off-site renewables strategies, announced a public renewable energy target, and established an internal process to allow it to efficiently execute new opportunities as they emerge in the market.

Throughout, Home Depot has leveraged Altenex's comprehensive market visibility, economic and risk analytics, and execution support.

## GETTING STARTED— COMMUNITY SOLAR

Altenex, an Edison Energy company, identified community solar as an effective economic and risk-protection strategy for Home Depot's operations in Massachusetts. In a 120-day project cycle, Altenex identified a portfolio of off-site solar projects that were available, supported Home Depot's internal assessment process, and acted as an advisor to their internal and external counsel throughout the negotiation process. The portfolio provided immediate savings of approximately 20 percent compared to its current rate tariff.

## OFF-SITE WIND

Building on this initial success, Home Depot asked Altenex to identify compelling offsite opportunities that met its criteria. Through early 2017, Home Depot

has executed utility-scale wind transactions in both Texas and Mexico, totaling 70 megawatts (MW).

## ON-SITE SOLAR, STORAGE, AND FUEL CELLS

Home Depot also made additional considerations for on-site opportunities.

The first task was to assess the physical portfolio—landlord engagement, roof replacement schedules, weight-bearing capacity of roofs—and the complex array of utility tariffs, multiple incentive structures, and the mixture of competitive and regulated utility markets Home Depot faces.

Altenex's analysis scoped the U.S. market into prioritized regions and store sites. It included a full-diligence treatment of issues, including:

- › Solar-specific rate tariff optimization/guidance
- › Near-term regulatory risks



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- › Contract negotiations, including performance guarantees
- › Termination rights
- › PPA vs. lease structures.

After executing a nationwide developer RFP and selecting two well-financed, low-risk developer partners, Home Depot is deploying more than 17 MW of solar across five states and the District of Columbia.

Home Depot has combined the renewables supply with a sector-leading storage initiative that includes battery deployments for demand-charge shaving.

The company's on-site engagements also include fuel cells. From an initial deployment in 2014, Home Depot has now deployed fuel cells at over 160 stores. The fuel cells produce over 90 percent of the electricity used by a store on an annual basis.

## INSTITUTIONALIZING SUCCESS

Home Depot has aligned its internal assessment and execution process so that it can quickly execute additional transactions that meet its requirements. The company is using the proprietary Altenex Marketplace™ to look ahead at the renewables project pipeline and identify compelling opportunities early. Armed with insight around project pricing, development timelines and execution risk, the company is poised to capture the best possible returns as it builds out to its goal.

And now with a comprehensive site portfolio analysis—a proprietary Altenex developer-diligence matrix—Home Depot is planning annual solar efforts to capture expanding market opportunities as they arise.

## THE BOTTOM LINE

For Home Depot, the value of energy cost savings translates directly to the enterprise. "These savings can be applied to satisfying more customers," says Craig D'Arcy, Home Depot's National Energy Manager.

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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.

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“ Home Depot's new portfolio of off-site solar projects provided immediate savings of approximately 20 percent compared to its current rate tariff.”

### CRAIG D'ARCY

*National Energy Manager  
Home Depot*



*An hour from the Gulf of Mexico, a 30,000-acre farm in South Texas is helping The Home Depot decrease its carbon emissions while providing some nice economic benefits to the surrounding community.*