

Purchasing Green Power at Tetra Pak

Tetra Pak is a multinational food processing and packaging company of Swedish origin. Its innovation is in the area of aseptic processing liquid food packaging which allows liquid food to be packaged and stored under room temperature conditions for up to a year.

Case Background: In 2005, Tetra Pak established a goal to reduce the company's global greenhouse gas emissions ten percent below 2005 levels by 2010. Given projected growth in Tetra Pak's business, this absolute emissions reduction target implied that the company would need to cut its emissions by approximately a third by 2010 relative to a 'business-as-usual' scenario.

Case Description: To achieve this goal, the company started pursuing a number of energy efficiency measures and green power purchases. The energy efficiency projects would reduce corporate greenhouse gas emissions while saving money at the same time. However, the greatest contribution to the goal came from switching to green power—electricity generated by renewable resources such as hydro, wind, solar, and biomass. With its ambitious target and action plan, Tetra Pak qualified for the WWF Climate Savers program as its first Swedish company. Tetra Pak took its first steps in early 2006. Working with power supplier Nuon, the company switched from purchasing conventionally generated electricity to green power in the Netherlands.

The contract, which is for 28 million kilowatt-hours per year of electricity from hydro, biomass and wind energy, will supply 100 percent of the power consumed by Tetra Pak's Dutch factory at a premium of less than five percent. In addition, the company has agreed to purchase 76 million kilowatt-hours per year by 2008 of green power from NaturEnergie for its German factories. Both green power deals dramatically reduce Tetra Pak's "indirect" greenhouse gas emissions—those emissions associated with the generation of purchased electricity. Additional green power contracts include a Tetra Pak processing equipment site in Denmark, which will buy 50% of its supply from wind power, and the Swedish market company office, which have used green power since 2003.

Tetra Pak is evaluating additional opportunities to purchase green power in Spain, USA and elsewhere. However, the company is not pursuing just any type of green power. Rather, in Europe it prefers to buy green electricity that meets the requirements of the Eugene Standard where possible. Green power that has been approved and labeled by a Eugene-accredited organization satisfies the highest quality standards for electricity from renewable resources. When Tetra Pak buys green power that meets the Eugene Standard, the company is assured that it is supporting renewable electricity from generation facilities that are new, that are additional to those receiving significant government support, and that have been independently verified as using publicly accepted "green" resources. Therefore, the company is helping build new renewable electricity capacity in Europe.

In Germany, Tetra Pak buys ok-power green electricity, a label that is accredited against the Eugene Standard. No Eugene-approved power label is available yet in the Netherlands, so the company worked with its supplier Nuon to establish additional conditions in the contract to ensure the company receives high quality green power.

Achievements: As a result of its ongoing efforts in 2007 Tetra Pak's CO₂ emissions were 7% lower than in 2005. Nine sites used Green Power/Renewable Energy, and while their production increased by 29% from 2002, the amount of energy used in packaging material remained the same.

Reference: www.theclimategroup.org