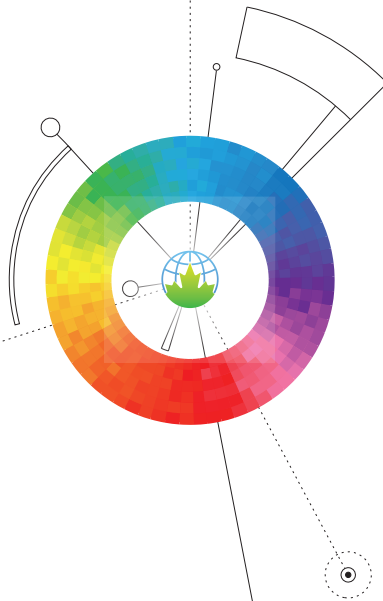


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# Innovation in Infrastructure and the Role of Public Procurement: New-New or New-Old?

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While there is no shortage of good intention, policy writing, and program development in the “green procurement” sector, the fact is that changing buying behaviors is not a small undertaking. Large incumbent suppliers are well equipped to shape standards, establish protocols, and protect their advantage, but smaller, innovative companies face a host of challenges in this regard.

This is especially true when we turn to major infrastructure spending. As the size of the spend gets larger, so does the degree of risk aversion and movement away from innovative solutions. Spending large amounts of new money on tried and true “New-Old” solutions should give way to smarter and more innovative spending. Here are two positive examples of “New-New” green infrastructure procurement processes:

In 2014, when Ontario’s Independent Electricity System Operator put out a very innovative tender for the procurement of energy storage services and grid stabilization, they had the foresight to recognize that new storage technology could transform grid operating and flexibility. At the same time, they recognized that they had no idea of all of the solutions out there, or even how to buy them. So they created a “sand box” to play in, a 35 megawatt procurement in five buckets. The categories parsed various potential functions where storage technologies could play a role and create value for the grid. They were overwhelmed with 400 responses and went on to select five technologies to try. This process included an effort to dramatically eliminate the complex standards and contracting requirements normally served by giants like Ontario Power Generation.

Finally, there’s the electrification of public rail transit. Modern fuel-cell technology can deliver emissions-free transportation for less than half the cost of New-Old solutions by completely eliminating the costly overhead catenary wire system and time-consuming rail corridor changes that go with them.

Saving money, reducing project execution time and construction disruption are all reasons why the New-New way should win. But it will take open minds, team work, and a “why can’t we?” attitude to make it happen. The difference is billions of dollars of public money. It’s worth it.



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