

Corporate Sourcing of Renewable Energy and Corporate PPAs with a Rapid Growth in Europe Informed Renewable Market Watch™

The corporate renewable PPAs shall have a crucial role in non-subsidised renewable energy market growth by 2030, according to the Renewable Market Watch™



LONDON, UNITED KINGDOM, June 28, 2021 /EINPresswire.com/ -- With the increasing costs of electricity, fluctuations of fossil fuel prices, and unpredictability of these costs, the corporate renewable PPA market segment will play an increasing role in renewable energy capacity development in Europe by 2030, revealing the recently published study Europe Corporate Renewable PPA Market Report 2021 ÷ 2030. The potential for the renewable corporate sourcing market in Europe, which includes both power purchase agreements (PPAs) and other forms of corporate sourcing, is significant. Until 2018, wind accounted for 90% of the contracted capacity in Europe, but recent growth in solar PPAs has further driven market growth.

Renewable electricity costs are becoming more and more competitive. Solar energy became cost-competitive with newly built coal power plant units since 2018, according to the Massachusetts Institute of Technology (MIT). A more vigorous effort towards further development and technological innovation will make the sector more productive and competitive and accelerate its evolution. As a result, the citizens and communities will benefit from the increasing possibility that energy from renewable energy sources (especially from solar and wind) will contribute substantially to European countries electricity generation by 2030.

Corporate renewable PPA market development in Europe

A corporate PPA is an upfront contractual agreement between a buyer and a seller for the exchange of an amount of electricity from a renewable generator for an agreed price (fixed or market-related). These agreements usually last between 10-20 years. According to the RE-Source platform, between 2016-2020, more than 16 GW of new renewable energy was contracted in Europe either through corporate PPAs or direct onsite installations.

The corporate PPA market in Europe has grown to a cumulative capacity of over 14 GW between 2013 and 2020, according to the Europe Corporate Renewable PPA Market Report 2021 ÷ 2030.

In 2020 alone, approximately 4 GW of PPAs were contracted. Solar represents the bulk of commercial and industrial onsite installations, including self-owned projects, leasing, onsite PPAs, and near-site private wire PPAs. In the last five years, Europe has seen 2-3 GW per year of commercial and industrial onsite solar installations, with forecasts showing installations will increase dramatically in coming years.

Corporate PPA Prices in Europe

Sweden registered the lowest corporate PPA prices for onshore wind energy (28.9 EUR/MWh at the beginning of 2021), while Spain registered the lowest corporate PPA prices for solar energy (33.7 EUR/MWh at the beginning of 2021). However, the corporate PPA price for solar projects in Spain shall be under pressure after the latest tender (auction) in January this year, when solar projects registered a weighted average price of EUR 24.5/MWh guaranteed for 12 years for projects starting non later than 30 September 2023.

Challenges and risks

The inevitable corporate renewable PPA capacity expansion in Europe creates some challenges and risks:

- 1) From the connection point of view, there are grid connection constraints due to the aged or overloaded electricity grid network that will need more detailed and precise planning and management.
- 2) From the investment point of view, developers will want to be secured against frequent changes in renewable energy regulatory framework, PPA procedures, auction (tender) procedures, and that license bid prices (in some countries) do not become uncompetitive when the competition in the sector emerge.
- 3) Speculative purchase of new generation licenses is possible to affect negatively serious and long-term market players.
- 4) Despite generally favouring these endeavours, environmentalists and community-based organisations sometimes have radically different opinions from renewable energy investors.

Giving business customers control over their electricity bills

Corporate renewable electricity sourcing allows business customers to generate their own electricity cleanly and efficiently. Most customers with renewable energy facilities under corporate PPAs can produce more electricity than they consume; net metering allows them to export that power to the grid and reduce their future electric bills.

New jobs and private investments

Corporate sourcing of renewable energy and corporate PPAs shall contribute to substantial economic benefits in terms of jobs, income and investment. Furthermore, installing more

renewable power capacity in Europe increases the demand for renewable energy equipment, creating jobs for the installers, electricians, and manufacturers who work in the renewable equipment supply chain.

Future trends on Europe corporate renewable PPA market

The corporate renewable PPAs shall have a crucial role in non-subsidised renewable energy market growth by 2030. The [Renewable Market Watch™](#) projects the governments of most European countries will create competitive regulatory frameworks enabling and facilitating the implementation of corporate renewable PPAs. As a result, the utility-scale wind and solar PV sector will emerge between 2020 and 2030 due to the low turn-key cost of wind and solar technology, corporate PPA schemes and tender support schemes announced in many European countries.

The more information and answers to your questions about the European corporate renewable PPA market and corporate PPA prices per countries, you may read here: [Europe Corporate Renewable PPA Market Report 2021÷2030](#)

For a better understanding of the benefits of using our reports, you may read here: [Benefit List - Reports of Renewable Market Watch - 2021](#)

To download the executive summary brochure with sample pages, please access from here: [Europe Corporate Renewable PPA Market Report - Sample](#)

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