

Eurelectric: clean energy hourly matching improves corporate hedging and sustainability

Matching energy consumption with clean energy on an hourly basis is one of the most impactful ways for corporates to accelerate energy systems' decarbonisation.

BRUSSELS, BELGIUM, November 21, 2023 /EINPresswire.com/ -- Matching energy consumption with clean energy on an hourly basis is one of the most impactful ways for corporates to accelerate the energy systems' decarbonisation. This procurement



strategy, known as 24/7 hourly matching, yields multiple benefits: from increasing corporate sustainability claims' transparency, thanks to more granular carbon accounting, to incentivising investments in renewables and storage technologies, to decarbonising and digitalising the power grid. A [new study](#) released by [Eurelectric](#) and Pexapark today shows that hourly matching can also improve the effectiveness of hedging tools such as renewable power purchasing agreements (PPAs).

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*Marianne Karu - Eurelectric's
Business and Communication
Director*

Large energy consumers typically report their CO₂ emissions based on their annual energy consumption. To offset their carbon footprint, they purchase the respective volumetric amount of renewable energy or green energy certificates, often from projects located far from their consumption, and thus claim on paper to be powered by 100% renewable energy. Yet, these certificates do not account for the actual energy source physically consumed at a specific time which might instead come from a grid

mix that includes fossil fuel-generated electricity.

With 24/7 carbon free hourly matching, instead, a given volume of electricity demand is matched with an equivalent volume of carbon-free energy generated and injected on the same grid and at the same time. To guarantee this pairing on an hourly or sub hourly basis, corporates can

acquire energy certificates, such as guarantees of origins (GOs), with a time stamp of one hour or less, validated by innovative software based on meter and grid data.□□

“24/7 is the next level in corporates’ commitments to decarbonisation. Most importantly, it is a powerful driver of innovation and investments into clean, renewable and storage technologies as well as an opportunity to better hedge consumers wishing to reduce their exposure to volatile spot energy markets.” – says Marianne Karu – Business and Communication Director at Eurelectric.

The 24/7 trifecta: improved carbon accounting, price stability and lower emissions

Last year's surging gas and electricity price volatility marked the urgency for more price certainty and lower risk in our electricity bills. The hedging provided by conventional PPAs helps shield consumers from price volatility but a 24/7 PPA can do so to a greater extent while ensuring supply of certified clean energy by the hour. But is it financially viable?

Eurelectric, together with Pexapark, initiated a study to understand whether hourly matching had positive hedging implications on a corporate’s energy sourcing strategy. By looking at two different case studies in Germany and Finland, the findings confirmed that higher hourly matching provides greater absolute hedging benefits. In Finland particularly, an electricity consumer using 10 MW of baseload power in 2022 could have saved over €14 million with a 90% hourly matched PPA.

The success of any long-term contracts such as PPAs hinges on how the energy produced aligns with consumption. When the energy supplied through PPAs – often based on variable wind and solar generation – doesn't match a buyer's demand, it can introduce financial uncertainties due to the need to resort to volatile spot markets. Since 24/7 allows a closer match of supply and demand, it can subsequently improve the effectiveness of a hedging strategy through more time-specific PPAs. Higher effectiveness translates into positive financial outcomes. This was confirmed in both the Finnish and German case study, despite the two countries’ different energy portfolios and market prices.

Today, an optimised hybrid portfolio of wind and solar PPAs can already achieve 60 to 75% hourly matching, confirms the study. Therefore, existing clean and renewable technologies are already enough for corporates to embark on the 24/7 PPA journey.

Raising awareness both locally and internationally on this new approach to clean energy sourcing is key to bringing 24/7 from niche to mainstream.□□As an early signatory of the□UN Compact for 24/7 carbon free energy,□Eurelectric is at the frontline□of the awareness campaign with a [24/7 CFE business hub](#) dedicated to developing solutions for corporates to embark on the 24/7 journey and accelerate power system decarbonisation.

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Note to Editors:

Eurelectric represents the interests of the European electricity industry. We seek to contribute to the competitiveness of our industry, provide effective representation in public affairs and promote the role of electricity in the advancement of society.

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