

Green PPAs help businesses take control of their energy supply



Corporate power purchase agreements (PPAs) are fully on trend:

After all, the long-term electricity contracts do not just help drive the energy transition, they also bring economic benefits to businesses. PPA specialist Weero Koster knows exactly where their potential lies. The legal expert advocates this innovative business model and advises businesses and governments.

Why are PPAs so attractive for businesses?

The idea behind PPAs is simple: businesses cannot produce their own green energy. But they can buy it from energy utilities. In part, companies do so because they have a strong sense of social responsibility, but they also have economic reasons.

There are no significant hikes in the prices for renewables or supply bottlenecks. Also, the companies can manage their own electricity supply and have direct control over their energy.

The public perceives companies like Google, Deutsche Bahn and IKEA to be the pioneers with regard to PPAs...

... it is true that these companies have made this trend known to a wider public. However, there were already many companies, governments or government agencies who had entered into these long-term agreements before.

Where did you hear about PPAs first?

I have now been working in the area of renewables for 15 years – and at one point, my customers' enquiries about green PPAs started to take off. I thought that was an interesting development and it really inspired me, so I started to look into it in ever greater detail.

Do governments or the European Union also get involved in this area?

Some governments are very active, others less so. PPAs are on the rise in particular in the US, Germany, the UK, the Netherlands, Denmark, Italy and Belgium. The European Union deals with the topic as part of their "Clean Energy Package". This package is a step in the right direction. However, the trend could hardly be stopped, even without those measures.

I am concerned, though, about the "famous" article 19. However, that is still being discussed. If it is coming in, it will make the market conditions for PPAs more difficult. It stipulates that member states must ensure that no guarantees of origin are issued to electricity producers who already receive support from a funding scheme.

What can innogy do to give the best possible advice to businesses?

innogy should offer services along the entire value chain, i.e. the company must be a one-stop service provider for its customers.

Aspiration to supply yourself with green electricity reliable, safely and for the long term?

We would be happy to give you more information about Green PPA at innogy. Please get in touch: ppa@innogy.com