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# Bird & Bird Backs Growing Green Corporate PPAs

Clean energy companies have demonstrated a remarkable degree of equanimity to sign long-term power purchase agreements with major corporates during the fallout from COVID-19.

Leading organisations from a diverse range of sectors, including data centres, manufacturing, chemicals, retail, food & beverage, etc., have found merits in sourcing stable green power for their operations, leaning on a bevy of consultants and renewables experts to get their contracts over the line.

When asked about how COVID-19 was impacting on signature of corporate PPAs (CPPAs), Elizabeth Reid, Projects Partner and Co-Head of the Renewables Group, at global law firm Bird & Bird, said: “In recent months there have been two major market shocks.

“The first of these is the oil price war between Saudi Arabia and Russia, which led to a global power price decline. The second is a significant reduction in energy demand due to COVID-19 regional shutdowns and economy slowdowns.

“It is certainly true that some CPPA transactions have been put on hold until market stability returns. However, in many instances we are finding that corporates are less exposed to short term price variations: many CPPAs are long term (i.e. 10 years+) so these short-term fluctuations do not impact corporate appetite.

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## Sustainable Demand in Europe

New analysis this week from LevelTen Energy, a renewable energy market procurement platform, found that the UK had the second highest proportion of clean energy projects with PPAs in Europe, commanding a 14% share.

Spain ranked as Europe’s leading country for renewables with PPAs, where 26% of clean energy projects have offtake arrangements in place.

Germany, Italy, Denmark, Sweden, Ireland, France and Finland were also among the most active clean energy PPA markets.

The Europe-wide index price for solar power was €38 per MWh and €31 per MWh for wind power in the previous quarter.

From April to June 2020, Ireland featured the highest PPA price for solar at €63.50 per MWh, which was even greater than the Netherlands at €51.67 per MWh, Germany at €49.60 per MWh, Poland at €46.36 per MWh, the UK at €45.38 per MWh, France at €44.56 per MWh, and Italy at €44 per MWh.

France had the highest average wind PPA price by country at €77.50 per MWh, followed by Ireland at €57.38 per MWh, the UK at €47.95 per MWh, Spain at €40.04 per MWh, Finland at €30.00 per MWh, and Sweden at €28.09 per MWh.

Wind power has become increasingly favoured among major corporates as one of the most cost-effective forms of energy production for industrial purposes in the Nordics.

Earlier this month, Finnish wind farm operator Ilmatar Energy signed long-term power purchase agreements to deliver clean electricity to Borealis, an Austrian chemical company. Ilmatar Energy signed two PPAs to supply more than 20 MW of wind power over the next decade to Borealis, under a joint agreement with Neste, which is the latter's long-term partner in Porvoo, Finland.

Bird & Bird's international renewables team was instrumental in advising Borealis on the contracts, which will help drive Borealis to its target of sourcing 50% of its total electricity consumption from clean energy sources.

"Signing a CPPA during the current COVID-19 crisis is a significant achievement for all the parties involved and we were delighted to assist in this transaction," commented Mikko Ahonen Corporate Partner at Bird & Bird and Head of Finland.

"We were pleased to see that corporate's desire to secure green power remains a priority for them even in the current difficult circumstances."



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