

MEDIA RELEASE

New WBCSD report helps companies set up innovative renewable Power Purchase Agreements (PPAs)

Geneva, 27 March 2017: Today, the World Business Council for Sustainable Development (WBCSD) released a new guidance on “Innovation in Power Purchase Agreement structures.” Presented by EDP, Nestlé and Norton Rose Fulbright LLP, the objective of the guidance is to help power-purchasing companies overcome challenges and set up innovative, successful renewable PPAs.

According to Bloomberg New Energy Finance in 2017, the global capacity of renewable PPAs contracted between corporate buyers and renewable asset owners has increased by 32%, achieving a new record of 19 GW worldwide.

As corporate PPAs have multiplied in both mature and emerging markets, corporate buyers have been facing new challenges. This report is both a snapshot of current market practices and an identifier of future growth and innovation.

Different PPA types and markets show some commonality in approach on the main features and risks relevant to the project developers, the corporate buyers and the lenders. However, there’s still room for further standardization internationally.

“Corporate PPAs have the potential to boost a much-needed renewable expansion. Most of all, they are an innovative solution for companies to obtain all of its energy from renewable sources, lowering risk profile while addressing the climate change challenge”, says Rui Teixeira, CSO of EDP.

Continuing innovation in contract terms and conditions is crucial to significantly increasing the number of corporate PPAs in the future. Some of the findings from this report on sources of future innovation include:

- The role of creditworthy aggregators
- The importance of corporate buyers with a good understanding of relevant risks
- New developments such as volume and shape risk management
- The need for developers to continue to work closely with corporate buyers

A better understanding of these challenges and innovations will accelerate deployment of more corporate PPAs in mature markets and will assist in the development of successful new markets for corporate PPAs.

This report builds on WBCSD's "[Corporate Renewable Power Purchase Agreements: Scaling up globally](#)" report (October 2016), which provides background on corporate power purchase agreements (PPAs), and "IFRS accounting outline for Power Purchase Agreements" (January 2018), which identifies the accounting and financial reporting implications of entering into a PPA.

Tags: Energy, Climate & Energy, REscale

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Notes to Editors

About the World Business Council for Sustainable Development (WBCSD)

WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. We help make our member companies more successful and sustainable by focusing on the maximum positive impact for shareholders, the environment and societies.

Our member companies come from all business sectors and all major economies, representing a combined revenue of more than \$8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe. WBCSD is uniquely positioned to work with member companies along and across value chains to deliver impactful business solutions to the most challenging sustainability issues.

Together, we are the leading voice of business for sustainability: united by our vision of a world where more than 9 billion people are all living well and within the boundaries of our planet, by 2050. <http://www.wbcSD.org>

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