

The European *CPPA* Barometer

Real power matters

Executive Summary

H2 2023



Capgemini  invent

Introduction

To meet their sustainability targets and protect themselves against the price volatility in energy markets, an increasing number of companies across Europe are paying close attention to Corporate Power Purchase Agreements (CPPAs). These agreements are direct contracts between a producer and a consumer to secure a supply of high-quality green energy for the long term and at a firm price.

Capgemini Invent's **European CPPA Barometer** is a comprehensive report on the latest deals and trends in this dynamic market, bringing more transparency to over-the-counter contracts.

This edition covers **H2 2023**, a period during which many deals and announcements bolstered the market.



The return to much lower power market prices in 2023 could have caused a slowdown in CPPA activity in Europe, after the record-breaking highs of 2022 led many corporations to turn to these contracts as a matter of urgency. Yet, on the contrary, offtakers have showed an unprecedented appetite throughout the year.

After the spectacular level of activity at the beginning of 2023, a consistently high number of new deals was observed during the semester (98 CPPAs vs. 117 in H1 2023); although, these were for a lower total volume (+10.5 TWh/y announced vs. +21.6 TWh/y in H1 2023) as the sector continues to welcome medium-size consumers.

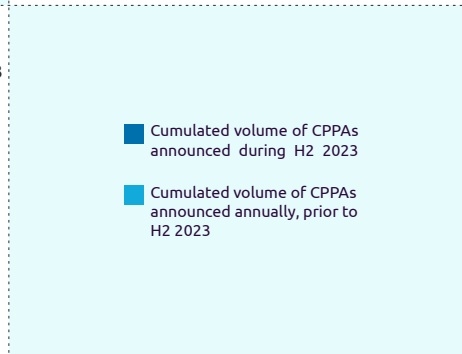
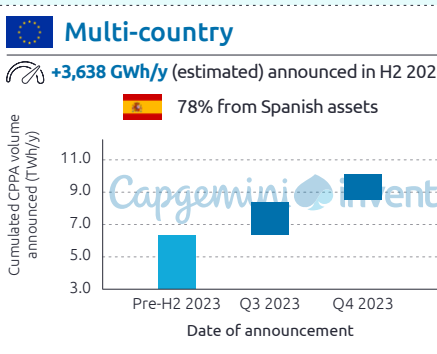
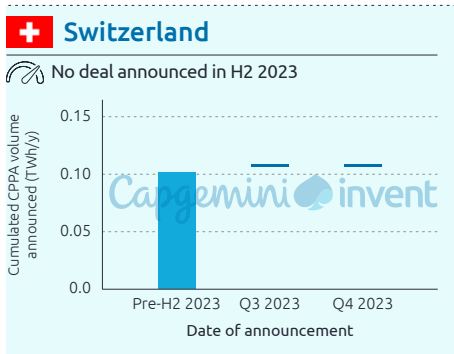
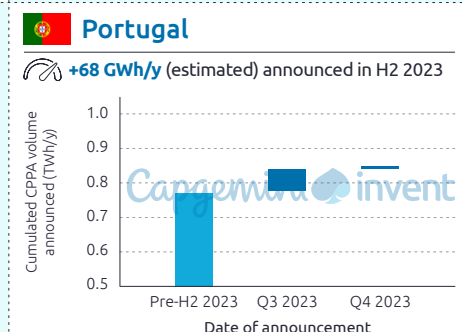
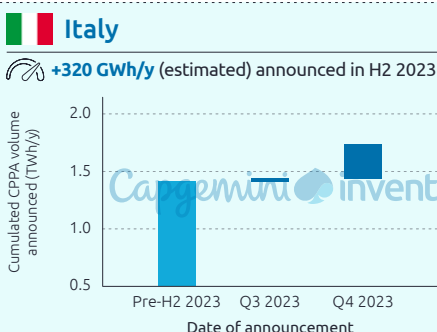
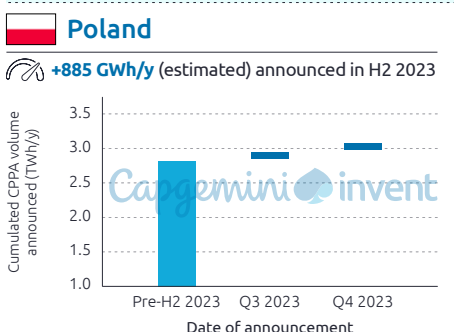
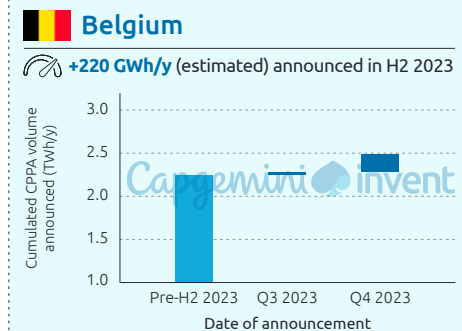
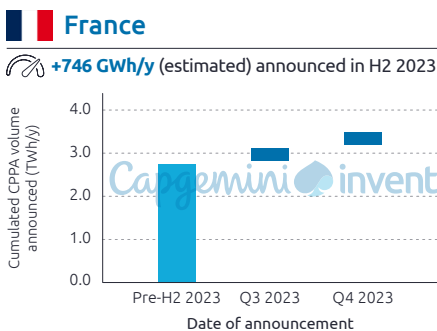
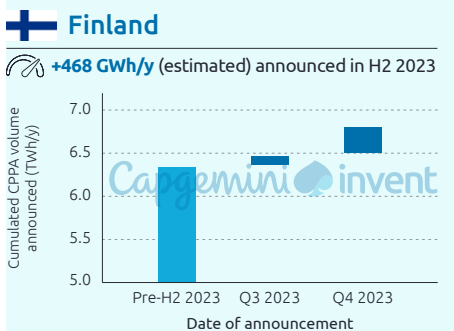
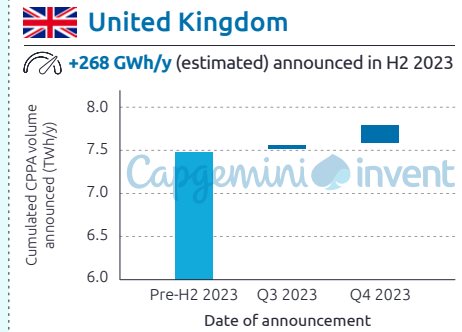
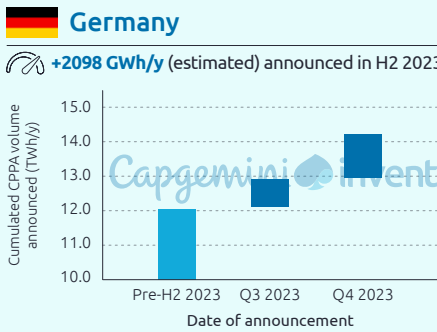
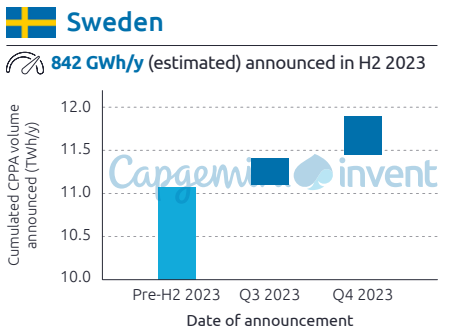
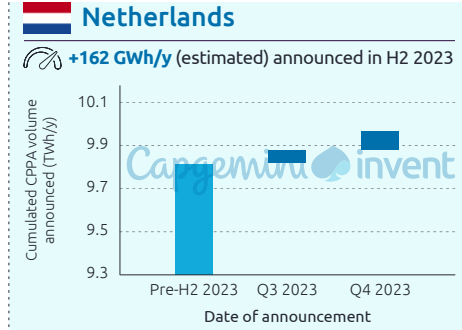
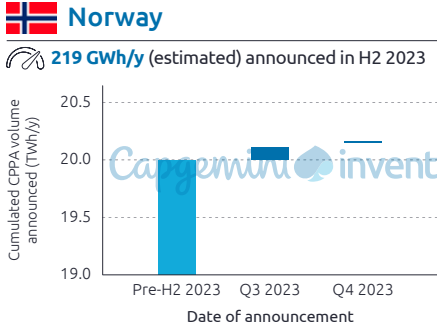
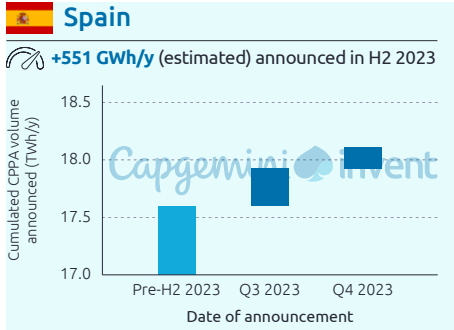
Almost all countries on the panel have experienced vigorous levels of activity, be they the usual leaders, such as the Nordics, or such historically smaller markets as Italy. Still, as in each edition, Spain remains on top of the podium, with more and more large-scale cross-border PPAs being signed to leverage the country's competitive conditions. It is for this reason our testimony in this edition of the Barometer comes from Ignis, a global developer of renewable assets. Having signed several PPAs of this kind, our interview analyzes this emerging trend and reveals expert insights.



Methodology

- The Barometer covers the national CPPA market of 13 European countries. France is also covered in more detail in the Baromètre des Achats d'Énergie Verte, a quarterly green sourcing report published in parallel: <https://www.capgemini.com/fr-fr/perspectives/publications/barometre-achats-energie-verte-france/>
- The main indicator presented in the report is the cumulated volume of CPPAs announced in the country. It corresponds to the sum of the electricity volume (in GWh/y) of all CPPAs that have been signed in this country during a period of time. It does not correspond to the volume supplied under CPPAs during that period. Moreover, volumes of CPPAs that have expired are not removed.
- Only CPPAs that have been publicly announced are taken into account. All figures are public data, shared by the corporations in official press releases. In some cases, the annual volume of a CPPA has been estimated using the capacity figure (shared in the public announcement) and an estimate of the capacity factor of the technology used in the country.
- Onsite PPAs (usually small-scale) are not covered by this Report.
- Cross-border CPPAs volumes are accounted for in the Offtaker's country (e.g., a CPPA signed for a Sweden-based asset to cover energy consumption in Norway is taken into account for Norway). The many explicitly pan-European CPPAs are studied in the "multi-country" category.

H2 2023 activity in national CPPA markets



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