



# Empowering the Grid

**Accelerating the Energy  
Transition Through Power  
Purchase Agreements**



---

**by Schneider** Electric

03

Executive Summary

04

Why Choose a Corporate PPA? / PPA by Numbers

06

The Green Benefits of Renewable Corporate PPAs

07

Why is Biodiversity becoming more important?

08

Thinking about a Corporate PPA?

10

Hit your green energy goals with Zeigo Power

What's Inside?

A silhouette of a wind turbine is visible on the left side of the page, partially obscured by a large, dark purple circular graphic that overlaps the page's edge.

# Executive Summary

**Power purchase agreements (PPAs) are energy contracts that allow corporate energy buyers to secure renewables power directly from generators or developers at a pre-agreed price.**

PPAs provide corporate buyers with access to low-carbon power, price stability against market volatility, and a path to meeting sustainability and decarbonisation goals over the contract term. They therefore play a crucial role in supporting risk management, operational efficiency, and sustainability strategies while enabling renewable energy developers to secure the financing for renewable energy projects.

As regulatory policies like the Streamlined Energy and Carbon Reporting (SECR) in the UK and the Corporate Sustainability Reporting Directive (CSRD) in the EU require large businesses to report on emissions, PPAs offer a robust compliance pathway while accelerating corporate sustainability. In 2024, over 430 companies joined RE100<sup>1</sup>, pledging to transition to 100% renewable electricity, signalling a growing corporate commitment to net-zero and renewable sourcing.

As the PPA market continues to grow, Zeigo Power by Schneider Electric—ranked the **Number 1 platform for PPAs in Europe**<sup>2</sup>—offers a streamlined digital solution, connecting buyers and sellers with ease and expertise to facilitate impactful renewable energy transitions. This guide details the critical considerations for structuring a corporate PPA, empowering businesses to achieve maximum environmental and economic impact through renewable energy commitments.

---

<sup>1</sup> We are committed to 100% renewable power | Climate Group ([theclimategroup.org](https://theclimategroup.org))

<sup>2</sup> Schneider Electric Ranked No. 1 PPA Marketplace Solution Provider | Schneider Electric ([se.com](https://se.com))



# Why Choose a Corporate PPA?

The economic costs of climate change have the potential to reduce global GDP levels by up to 20% by 2050<sup>3</sup>.

The climate change-attributed costs of extreme weather over 2000–2019 are estimated to be \$2.86 trillion, or an average of \$143 billion per year<sup>4</sup>. Empirical analysis shows that by 2049, the economic damages from climate change will far exceed the costs required to align emissions with the Paris Climate Agreement's 2°C target—by a factor of six<sup>5</sup>.

PPAs can mitigate climate related impacts in the long term by financing green energy and reducing emissions, subsequently reducing the economic impact of climate change.

This is why leading companies like Amazon, Microsoft, and Google have incorporated PPAs into their decarbonization strategies, seeing renewable energy as essential to long-term business success and a greener global energy system<sup>6</sup>. As the PPA market matures, opportunities are expanding for diverse industries to adopt PPAs, driving large-scale investment in renewable energy.

In addition to environmental benefits, PPAs offer businesses a stable, long-term energy price for all or a portion of their energy needs, protecting against future price shocks. Simply put, a Corporate PPA is a contract that enables a business to purchase electricity directly from a renewable energy generator at a predetermined price. This contract outlines key terms, including length, start date, volume, and pricing, allowing corporate buyers to source a specific share of their electricity demand from renewable sources, achieving both decarbonization and risk management goals.

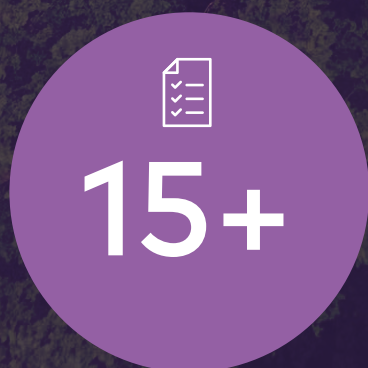
For buyers seeking maximum environmental impact, PPAs can create 'additionality'—driving the addition of new renewable projects to replace aging, carbon-intensive power sources. Additionally, buyers receive energy attribute certificates, such as Guarantees of Origin, for each MWh generated under the agreement. These certificates provide a price hedge against both power and green certificate markets, further strengthening the business case for PPAs by offering traceable, reliable sources of renewable energy.

<sup>3</sup> Oxford Economics (2022). The global economic costs of climate change inaction. Scenarios & Macroeconomic Modelling

<sup>4</sup> Newman, R., Noy, I. The global costs of extreme weather that are attributable to climate change. Nat Commun 14, 6103 (2023)

<sup>5</sup> The economic commitment of climate change | Nature

# PPA by numbers



Electricity generated from an asset that has been in operation for longer than 15 years will no longer be compliant under RE100 guidelines



Empirical analysis shows that by 2049, the economic damages from climate change will far exceed the costs required to align emissions with the Paris Climate Agreement's 2°C target—by a factor of six.



The PPA market has grown 33% on average since 2015



# The Green Benefits of Renewable Corporate PPAs



## Traceable Emission Reduction

Buying renewable power helps businesses progress towards their carbon reduction targets. A PPA can ensure that corporates can make clean energy claims and back them up by tracing energy consumption from specific renewable assets.



## Creating Additionality

New projects with a signed PPA are more attractive to investors, easing financing for new renewable projects and reducing the amount of power generated by polluting sources. Additionality is a key consideration for corporate energy buyers, particularly in emerging markets which carbon-intensive grids.



## Supporting Market Stability and Growth

PPAs are increasingly being seen as a tool to facilitate market stability during the transition to clean energy. Whilst policymakers continue to consider how PPAs can be formally supported and recognised, the renewable industry is already a recognised engine for job growth, instilling it as an industry of economic importance going forward.

An aerial photograph of a winding river flowing through a lush, green landscape. The river is surrounded by rocky banks and dense vegetation. In the background, there are rolling hills and mountains under a clear sky.

# Why is Biodiversity becoming more important?

**Organisations considering PPAs are increasingly looking beyond cost, risk mitigation, and decarbonization to examine broader environmental benefits.**

This shift allows companies to evaluate the impacts of their projects not only on carbon emissions but on the surrounding environment as well. With growing scrutiny of environmental claims from governments, regulators, investors, and climate-focused NGOs, companies are more frequently aiming to maximise the environmental value of their decarbonisation investments.

A key area of focus is biodiversity—the foundation of ecosystem productivity and stability, essential for life on Earth. Diverse ecosystems support higher productivity, resilience, and provide essential services for industries such as agriculture<sup>6</sup>. While renewable energy is vital for reducing dependence on fossil fuels, its development can pose challenges to biodiversity. As the green transition advances, there is an increasing need to ensure renewable energy is developed with environmental sensitivity.

Large-scale renewable energy projects, such as solar farms and wind turbines, often require

significant land use, which can lead to habitat loss, ecosystem fragmentation, and potential displacement of wildlife. For example, solar panels may cover extensive areas, limiting space for native flora and fauna. Wind turbines, while beneficial for clean energy, pose collision risks for bird and bat populations. Additionally, constructing and maintaining renewable energy infrastructure can disrupt local ecosystems and migration patterns<sup>8</sup>.

To address these impacts, it is essential to incorporate strategies like careful site selection, habitat restoration, and ongoing environmental monitoring. These measures help ensure that the pursuit of clean energy does not come at the expense of biodiversity. Importantly, renewable energy developments can also enhance biodiversity, particularly when projects utilise land unsuitable for traditional farming. As urbanization reduces green spaces, prioritising biodiversity becomes increasingly critical for the sustainability of agriculture, renewable energy, and the planet's future.

<sup>6</sup> Biodiversity–productivity relationships are key to nature-based climate solutions | Nature Climate Change



# Thinking About a Corporate PPA?

There is no one-size-fit-all when it comes to designing a renewable PPA, however there are five key questions to answer:

## 01

### **What is our existing energy procurement and decarbonisation strategy?**

PPAs are long-term commitments that require careful planning and alignment with your company's current and future energy needs. When building a business case for PPAs, highlight how they complement existing procurement strategies and contribute to a portfolio approach for reducing Scope 2 emissions.

## 02

### **Have we engaged senior stakeholders?**

Engaging leadership early enables faster decision-making and sign-off, which is critical in today's competitive PPA market. To achieve swift alignment with stakeholders, clarify your organisation's requirements for a PPA before issuing a tender, setting realistic expectations with decision-makers. Clear communication and expectation management are essential for smooth evaluation and approval.



# 03

## How are we defining 'renewable'?

Not all renewable sources are created equal. Building a large-scale hydropower plant can have significant implications for local ecologies. Biomass generation can create greenhouse gases or raise concerns about deforestation. It's possible that offshore wind can create concerns about the seabed ecosystem. Energy buyers need a clear and balanced view of any project's overall environmental impact as part of the selection process.

# 04

## How will we verify that the power comes from renewable sources?

Energy Attribute Certificates, such as Guarantees of Origin (GoOs) in the EU, Renewable Energy Guarantees of Origin (REGOs) in the UK, and Renewable Energy Certificates (RECs) in the US, verify renewable energy sourcing. Pairing these certificates with PPAs allows companies to substantiate renewable energy claims and ensure compliance with procurement standards, such as avoiding double counting.

# 05

## Does our approach create additionality?

Additionality isn't a requirement for renewable energy to be recognized as zero carbon. But as the PPA market matures and companies look to establish leadership and demonstrate commitment to making an impact on the grid, PPAs help ensure projects get built and lead to new renewable generation. In addition, it will provide vital support to developers of new renewable assets to proceed with new projects and increase the share of renewables in the electricity mix. New to earth renewable projects can displace existing carbon emitting generation thus accelerating progress to net zero power system. Indeed, PPAs are a vital part of achieving zero carbon energy.



# Hit your green energy goals with Zeigo Power

**Zeigo Power is the digital procurement platform for renewable energy, now part of Schneider Electric.**

The platform integrates technology and human expertise to advance and accelerate clean energy contracting for qualified companies.

Powered by data and smart technology, we help buyers connect with both operational and new build projects on the platform. Get renewable energy options right sized to your needs using our digital tendering platform.

---

**Schedule a meeting with Clive to explore how your PPA objectives can be supported by Zeigo Power**

**Book time with Clive Merifield**

