

# **2019** PORTUGAL RENEWABLE SUMMIT

Da transição ao compromisso energético  
*From transition to energy commitment*





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How can PPAs accelerate the energy transition?

A decorative graphic on the left side of the slide features five thick, curved lines of different colors: yellow, light blue, orange, dark blue, and green. These lines are arranged in a series of concentric, overlapping arcs that curve from the bottom left towards the top right.

# How can PPAs accelerate the energy transition?

## What do we need to accelerate the energy transition?



<https://www.cleantechinnovate.com/investor-advice-on-winning-cleantech-funding-part-2/>

**We need to attract more investments!**

Several ways to achieve it (technology, cost of capital, regulation, etc.), we will focus on **risk management**.

## PPAs and state auctions are vital for the energy transition

### Why?

Renewables are long term investments in **volatile illiquid markets**.

This uncertainty is translated into barriers for investment:

- ➔ Non-bankable
- ➔ Profitability at risk (not suitable for all investors)

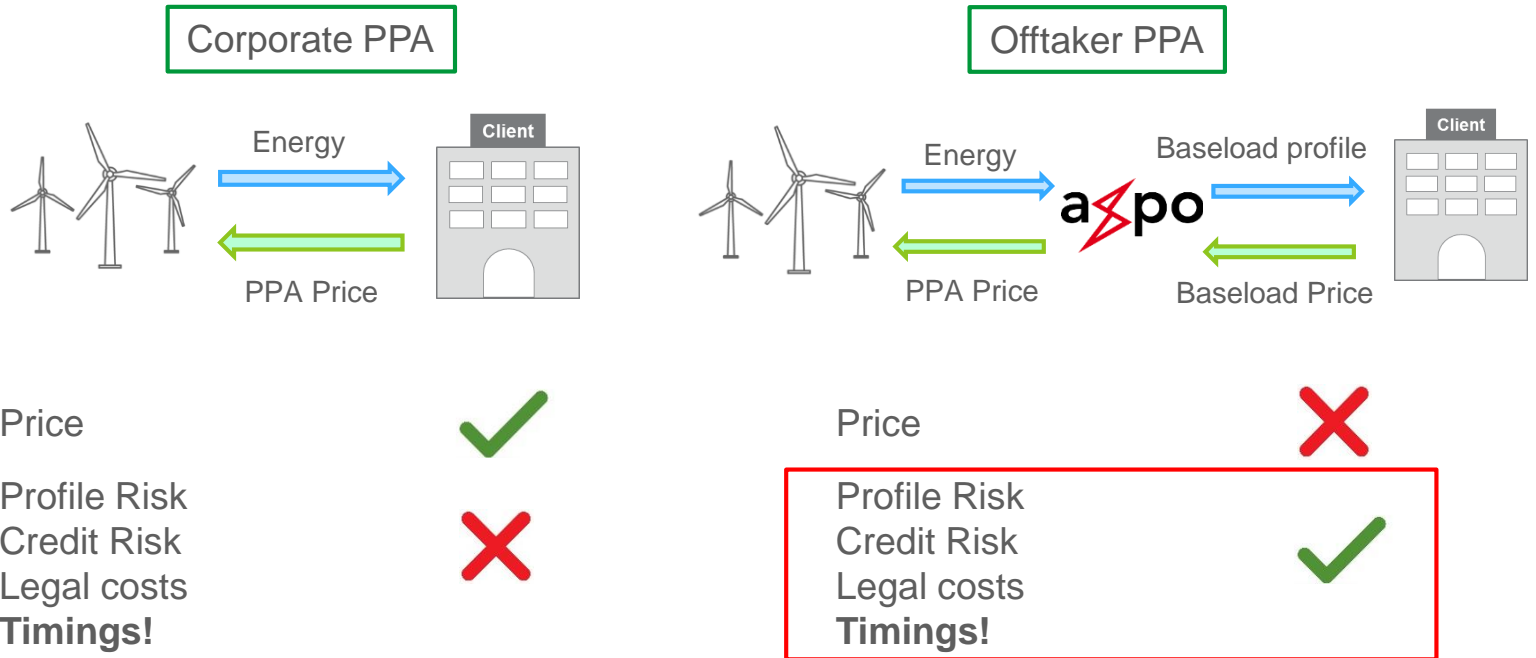
Risks need to be managed in order to attract investors. The solution comes by **securing incomes** via PPAs or state auctions.

## Both state auctions and market PPAs need to coexist

State Auctions	PPA Market
Global solution	Not in every market <ul style="list-style-type: none"><li>• Grid parity</li><li>• Indirect subsidies (Green certs)</li></ul>
Low credit risk	Importance of credit risk
Regulation-driven (targets)	Market-driven (optimization)
Single offtaker	Opportunity for corporate offtakers

**PPAs are the only way corporates can participate in the energy transition!**

## Corporate vs Offtaker PPAs



**Offtaker PPAs can manage risks in a more efficient way and can cope with different timings of producers and corporates**



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# Full of energy





**Thank you.**

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