

# HOW CORPORATE POWER PURCHASE AGREEMENTS CAN HELP DECARBONISE YOUR BUSINESS

20 Feb 2025

[Energy](#)[Sustainability](#)[Energy Transition](#)[COPY LINK](#) 

**Corporate power purchase agreements are an effective way to help businesses of all sizes to transition to a green energy supply and meet climate change targets. They have an added benefit, too, of enabling investment in new, renewable energy-generating capacity**

You're a company with ambitious emissions reductions targets. And you want to be able to identify where exactly the power you use is generated and to show that it's from renewable sources. Traceability is everything, especially given the increased scrutiny of corporate **sustainability reporting**.

At the same time, you want power price security and cost savings and you can't, or you don't want to, get into self-generating your own solar or wind power on site.

What are the options? A popular one is to take out a corporate power purchase agreement (CPPA), buying power from a specific, named renewable energy generator at an agreed fixed price for every contracted megawatt hour (MWh).

## CPPAs: how Flogas plays Cupid

CPPAs suit large companies like Vodafone Ireland, which announced in September 2024 it had signed **a CPPA with DCC Energy business Flogas Ireland**, and will purchase renewable electricity directly from the Derrynadiuva Wind Farm in County Mayo.

The investment of €6 million is part of the telephone company's goal to reach net zero across its full value chain by 2040.

Smaller companies with a lower energy spend benefit from CPPAs too – Flogas can bundle agreements to meet the required scale to contract with a wind or solar farm, giving access to renewable energy that customers wouldn't normally have on their own. Flogas essentially plays Cupid through its single- and multi-buyer CPPA model. It identifies buyers and sellers, brings the parties together and implements a CPPA structure that works for all.

## RENEWABLE ENERGY BY THE NUMBERS

**300%**

Increase in investment in renewables by 2030, agreed by countries at COP28

**450 MW**

The size of Flogas Enterprise's corporate power purchase agreement portfolio

**20**

The number of CPPAs Flogas has signed since 2022

## Physical and financial CPPAs

There are two main types of CPPAs in Ireland: physical and financial. So, what's the difference?

A physical PPA bundles the renewable energy purchase into an end user's electricity contract. The end user receives ownership of the renewable electrons when they enter the electricity grid at the wind or solar farm location. The green electricity is nationally delivered to the end user via the electricity network by Flogas, and Flogas will collect payment accordingly for onward processing to the wind or solar farm.

A financial PPA is a swap of monies between a buyer and seller of renewable electricity directly. Ownership of the electrons is never formally transferred to the buyer, although the end user still retains a green rights claim over the power. Financial PPAs can be direct between producer and end user, or alternatively can be supported by Flogas acting as intermediary.

## Sustainable, affordable, secure green energy

Flogas offers physical and financial PPAs to the Irish, and Northern Irish, market. In Ireland, medical technology company **Medtronic**, soft drinks business **Britvic** (Ballygowan water), **Slane Irish Whiskey Distillery** and hospital group **Bon Secours** are just some of the businesses that have signed up for CPPAs with Flogas, buying 100 per cent renewable energy direct from wind farms in Galway, Donegal and Tipperary.

These contracts give certainty over the medium-to-long term, a huge help to companies when it comes to financial planning.

The fixed-price commitment and agreement terms of between one and 20 years are beneficial to the power generator too, diversifying their route to market.

For Flogas, CPPA business represents long-term contracted customers and a valuable source of recurring revenue.

## CPPAs are crucial for financing renewable energy projects

A massive expansion of renewable power is vital if the world is to achieve the **global tripling goal set at COP28** by 2030.

Yet, potential renewables projects can struggle to attract the backers they need to get new infrastructure off the ground, particularly in a fragile economic environment or where there's inconsistency over government policies affecting the energy transition.

Not only is a commitment from a customer to pay a fixed price per MWh key to the economic feasibility of a yet-to-be constructed renewable power generation plant, it can also encourage other investors to get involved.

So, this is another consideration for companies – the concept of "additionality". **Additionality** refers to the direct effect of adding new, renewable energy generation to the grid (as opposed to a company contracting with already operational renewable assets).

## A track record in bringing innovative sustainable energy products to the market

Bringing customers to the market as buyers of renewable power is one of DCC Energy's strengths – and CPPAs help make this possible.

Flogas was the first energy supplier to make CPPAs available to Irish businesses for fully traceable, 100 per cent renewable electricity and recently marked its 20th CPPA since launching the offer in 2022.

Its current portfolio of CPPAs accounts for more than 450MW of installed capacity through partnerships with a diverse range of renewable wind, solar, landfill, hydro and anaerobic digestion facilities in Ireland.

CPPAs help DCC put cleaner energy in the power of our customers, supporting them on their pathway to sustainability.

## ENERGY NEWS

[SEE ALL ENERGY NEWS](#)

24 Jan 2025

### Certas Energy Norway and McDonald's Norge Partner to Enhance Roadside Services

The partnership is an important move to enhance our mobility offer in Norway with a number of new...

19 Nov 2024

### DCC Energy sign Memorandum of Understanding with SHV Energy

DCC Energy and SHV Energy, two global leaders in the liquid gas industry, are working together to...

12 Nov 2024

### DCC plc: New simplification plan

Focus on the energy sector  
Sale of DCC Healthcare

29 Oct 2024

### Solar as a Service: self-generated power made easy

Businesses are facing unprecedented energy challenges. Volatile prices and ambitions to cut carbon...