

A new LevelTen Energy report reveals that European PPA prices for solar and wind energy rose 8.6% in the first quarter of 2022, reaching 57 euros per MWh. Compared to the previous year, prices increased by 27.5%.

The war in Ukraine is exacerbating the current energy crisis in Europe and further encouraging the relentless demand of corporations for renewable energy contracts. Developers have difficulty meeting this demand due to supply chain, interconnections and regulatory challenges.

Despite market uncertainty, developers and buyers want to build and buy more renewable energy sources - including countries that are highly dependent on Russian natural gas. P25 European PPA bid price indices were set on the LevelTen Energy Marketplace in the first quarter of 2022.

The war in Ukraine is the latest crisis to haunt European renewable energy markets, causing electricity purchase prices to rise by 8.6% to 57 euros per MWh, according to a new report by LevelTen Energy, a leading provider of renewable energy infrastructure. and the operator of the world's largest PPA market.

According to LevelTen's first-quarter PPA price index, which analyzes hundreds of PPA prices offered for solar and wind energy in its energy market, European PPA prices rose 27.5% from a year earlier.

PPA prices are high, reversing the downward trend in prices from previous years, at a time when procurement should accelerate dramatically, said Fleming Sorensen, vice president for Europe at LevelTen Energy.

High natural gas prices, fueled by the conflict in Ukraine, are raising wholesale electricity prices, which have been rising for months due to the energy crisis that began in Europe last year.

In response to volatile energy prices, the demand for electricity purchase contracts is growing sharply, as these long-term renewable energy contracts can be used as effective tools to lock in electricity prices, in addition to their primary benefit: providing renewable energy. LevelTen's research found that energy buyers remain committed to their renewable energy goals despite dynamic market conditions.

However, demand for PPAs is creating a rapidly growing imbalance between demand for renewable energy and supply from developers, who are struggling to build new solar and wind farms fast enough due to supply chain, interconnection and regulatory challenges.

Source: renewablesnow.com