



## Germany booms in direct marketing of green electricity

*Düsseldorf, March 15, 2021 - Electricity from renewable energies is becoming a scarce commodity. That's why more and more companies are signing direct purchase agreements with green power suppliers. "Germany is a global pioneer here with its well-developed industrial base and many companies with high credit ratings," says Markus W. Voigt, CEO of aream Group. "For investments in renewable energies, this provides an additional boost."*

"We are seeing a significant increase in buyers from the commercial and industrial sectors," Voigt says. A study by the Swiss company Pexapark underscores this. According to the study, more PPAs (power purchase agreements or direct purchase contracts) with companies outside the energy sector came about for the first time in 2020. "The share of these corporate PPAs in the total volume reached about 54 percent. The remaining 46 percent came from the energy sector," Voigt said. In 2019, 75 percent of all PPA buyers were still utilities or energy traders.

In 2021, renewables will grow particularly strongly in Germany: as part of the global RE100 initiative, in which large companies have joined forces to achieve their CO2 targets, 21 new companies seeking green power have been added in this country alone since the beginning of the year. "There's a huge momentum building there right now - also because of the increasing demand," Voigt said. "For our projects, we are already seeing strong interest from potential customers at a very early stage, and above all we see high potential for photovoltaics in Germany," Voigt says.

"This demand cannot be met with the 247 TWh of green electricity produced last year," Voigt said. To meet the increased demand, as well as climate goals by 2030, Germany would need to install at least 10 to 15 GW of photovoltaics per year and seven to eight GW of onshore wind, according to the Fraunhofer Institute. "This leads to the expectation of a price premium for green PPAs," Voigt says.

In 2020, the average price in corporate PPAs (CPPAs) for photovoltaics in Germany was around €47 (pay as produced, 10-15 years) and is likely to continue to rise. "Investors will get good returns this way," says Voigt. "From our point of view, the baseload price will rise to 48 euros by 2025 and even to 55 euros in 2035."

Rising electricity prices, increased consumption due to an integrated energy transition, and increased interest from industry show how much potential there is in this market. "With our Center of Competence, we follow market developments and monitor current trends," says Andrea Voigt, Head of the PPA Competence Center at aream. "This way, we are always on top of current developments and can achieve the best prices in our deals."

For more information: [www.arem.de](http://www.arem.de).



### **About aream**

aream Group is a fully integrated investment and asset manager for institutional investors with a focus on sustainable infrastructure in the renewable energy sector, which includes wind and solar power, grids and storage technology. In this context, aream is represented along the entire value chain from project development to plant operation. With a transaction volume of more than EUR 1.5 billion, the company has been covering the entire spectrum of asset management services for over 15 years and ensures the commercial and technical optimization of the assets. In addition to classic project investments in Clean Energy, aream also offers investment opportunities in CleanTech companies: directly or via private equity solutions. aream combines investment expertise with technical and commercial know-how and ensures sustainable performance with stable distributions, returns and value growth through a structured investment and risk management process.

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