

## High energy costs - how SMEs can protect themselves

*Düsseldorf, 26 September 2024 - High and fluctuating energy prices are a growing problem for companies in Germany. Long-term supply contracts with electricity producers, known as Power Purchase Agreements (PPAs), are an effective way to combat this. Such agreements are no longer a privilege reserved for large corporations. "There are now also suitable solutions for small and medium-sized companies", says Markus W. Voigt, CEO of the aream Group.*

High energy costs are one of the main problems facing the German economy. Above all, Government levies make energy more expensive and often exceed the price of electricity alone. "The electricity price itself is a component that can be managed well", says Voigt. For example, through long-term electricity supply contracts between producers and customers. Such PPAs offer both parties security and predictability in terms of prices, volumes and other factors.

Since their introduction in Germany in 2019, PPAs have become increasingly popular, including for the supply of electricity from renewable sources. However, small and medium-sized enterprises (SMEs) in particular are often still hesitant. "PPAs are often associated with large companies such as Microsoft and Google", explains Voigt. Many SMEs assume that their energy consumption or credit rating makes them unsuitable for PPAs. "However, there are now various models that also enable SMEs to benefit from customised electricity supply contracts."

After all, the conditions of PPAs are flexible. Options range from short terms of around 24 months to long-term agreements of more than ten years. SMEs can either negotiate directly with energy producers or through specialised platforms that serve different needs. The growing variety of providers and business models supports decentralisation and gives companies more control over their energy supply.

With the right model, SMEs can protect themselves against future price fluctuations and make their energy costs predictable in the long term. Customised PPAs also reduce their dependence on large energy suppliers and provide access to sustainable energy sources. "Guarantees of origin for green electricity can also be purchased", says Voigt.

However, the market for electricity supply contracts is developing very dynamically. Therefore, it is important to find the right partner at the right time. "An experienced consultant with in-depth market knowledge and a broad network can offer decisive added value by identifying current opportunities", says Voigt.

### **About the aream Group**

aream Group, founded in 2005, is an investment and asset manager for institutional investors and industrial clients with a focus on sustainable infrastructure in the renewable energy sector. With its three divisions Fund and Asset Management, Project Development and Operation Management, aream covers the entire value chain for renewable energy investments. With a transaction volume of more than 2.5 billion euros, aream is one of the leading asset managers in this market, and its own portfolio of plants generates around 40 million euros worth of green electricity per year. Since 2008, aream has produced more than one billion kWh of green electricity. As part of the growth strategy, several solar and wind parks are to be realized or



acquired in the coming years. Through its own project development alone, aream currently has a long development pipeline with great potential. Further information: [www.aream.de](http://www.aream.de).

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