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## 5th Meeting of the Expert Group on Power Purchase Agreements

**Monday, 14 April 2025 | 15:00 - 17:30**

Online, MS Teams

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### DRAFT MINUTES FOR ADDITIONS BY EXPERTS (V1)

Name	Surname	Organisation
EXPERTS		
Stefano	ALAIMO	Gestore Mercati Enegetici (GME), Europex
Francis	BROWNE	S&P Global Commodity Insights
Margaux	DELAUNE	Energy Pool, smartEn
Janos	HETTYEY	World Kinect
Inger Kristin	HOLM	Norsk Hydro, IFIEC Europe
Mariya	MANOLOVA	Statkraft
Joshua	ROBERTS	REScoop.eu
Annie	SCANLAN	RE-Source
Colin	SPAIN	Lightsource bp
Stefan	ULREICH	Energy Traders Europe
Wouter	VANDORPE	Fieldfisher
Mathieu	VILLE	Pexapark

**ACER/EUROPEAN COMMISSION/NRA's**

Patrick	LUICKX	ACER
Francesco	ROSSETTO	ACER
Andrea	MANGIPINTO	ACER
Martin	POVH	ACER
Martin	VIEHHAUSER	ACER
Iztok	ZLATAR	ACER
Aretina	STEFANI	ACER
Victor	FATIROTI	CRU (Ireland)
Alejandro	EGUEZ	EI (Sweden)
Vytautas	BUDREIKA	NERC (Lithuania)

## 1. MEETING OPENING PART

The fifth meeting of the Expert Group on the Power Purchase Agreements ('the Group') in a virtual format was opened and the agenda was approved.

The Chair provided a brief overview of the meeting's purpose.

## 2. PPA LEGAL AND MARKET INTERPRETATIONS

The meeting proceeded with ACER providing an overview of the definitions of PPAs highlighting the main points in common with forward and futures contracts, focusing on the legislative definitions outlined in Regulation (EU) 2024/1747 and Directive (EU) 2018/2001, as well as how these definitions are interpreted in practice by the market participants.

## 3. EXPERTS' INPUT REVIEW AND DISCUSSION

Subsequently, ACER shared and discussed with the Group a summary of the key insights from the experts' written input on PPAs and forward/futures contracts. ACER sought the Experts' perspectives regarding the interactions between PPAs and forward/futures contracts, which were characterised as different yet complementary products, each addressing specific

hedging needs and risk profiles while presenting unique benefits and challenges. The role of collaterals was highlighted as a critical tipping point in all forms of long-term agreements.

The Group also explored the interaction between PPAs and existing forward markets, with particular emphasis on their impact on market liquidity. The Expert Group held the opinion that PPAs are overall contributing to market liquidity. In this context, the Group brainstormed on the potential development of a metric to evaluate how PPAs affect the liquidity of traditional long-term markets.

Regarding the role of state support in relation to PPAs, experts emphasised the need for it to be limited, targeted, and non-distortive.

## **4. PRICING THE PPAS**

Finally, the experts provided insights into current trends in PPA pricing, particularly the balance between fixed-price and variable pricing structures, such as index-linked PPAs. It was noted that the choice of pricing model is project-, and context-specific and may change over the contract's duration. Key influencing factors for this decision were reported to be accounting standards, bankability considerations, and the potential of derivative treatment.

## **5. CLOSING SESSION**

### **5.1 NEXT STEPS**

The publication of ACER's assessment on the PPA market is expected in November 2025.

### **5.2 NEXT MEETING**

No expert group call is currently scheduled.