

Press release

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Vattenfall and Deutsche Telekom subsidiary sign long-term solar power agreement

Vattenfall and the Deutsche Telekom subsidiary Power & Air Solutions have signed a 10-year supply contract for electricity from a new German solar park.

Vattenfall and the Deutsche Telekom subsidiary Power & Air Solutions have signed an energy supply contract (Corporate Power Purchase Agreement, CPPA) based on solar power with a term of ten years. The renewable electricity comes from a new solar park, which will be built by the customer in Mecklenburg-Western Pomerania in mid-2021. The plant will have an installed capacity of 60 megawatts (MW).

“We are very pleased that with this agreement we are further accelerating the growing market for long-term electricity supply contracts for industrial customers in Germany,” says Christine Lauber, Director Sales & Origination at Vattenfall. “Vattenfall’s goal is to enable fossil-free living within one generation. That also means supporting our customers in achieving their sustainability goals.”

According to Christine Lauber, the further expansion of renewable energies in Germany in the future will not be supported by the EEG subsidy scheme to the same extent anymore but mainly be based on PPA contracts.

“Investors can use the PPA instrument to partially hedge their risks for new wind and solar parks, and customers have direct, long-term access to green electricity. In this way, they can contribute directly to the expansion of renewable energies,” says Lauber.

As a result of the former EEG subsidy scheme, German companies have not introduced Corporate PPA in the business as in other European countries. Particularly in the Nordic countries, these contracts are more widespread. Vattenfall’s goal is to become one of the leading providers in northwest Europe. In early February, the company completed its first long-term CPPA in the UK with beverage manufacturer AG Barr.

About Vattenfall and long-term energy contracts

Vattenfall has an ambition to supply 10TWh of renewable energy to European companies as long-term corporate power purchase agreements (CPPA) until the end of 2023. The company has already signed several CPPA across the European market, including with Microsoft in the Netherlands, Norsk Hydro in Sweden, and recently AG Barr in the UK, making the company one of the leading CPPA providers in Europe.

About Power & Air Solutions

Power & Air Solutions was founded in 2004 and is a 100% subsidiary of Deutsche Telekom AG. The mission of the Munich-based company is to guarantee the availability of critical infrastructure systems from the information technology and telecommunications (ITC) sector. In addition, Power & Air Solutions is the energy provider for Deutsche Telekom AG in Germany and is preferably purchasing electricity and power production based on renewable energies.

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