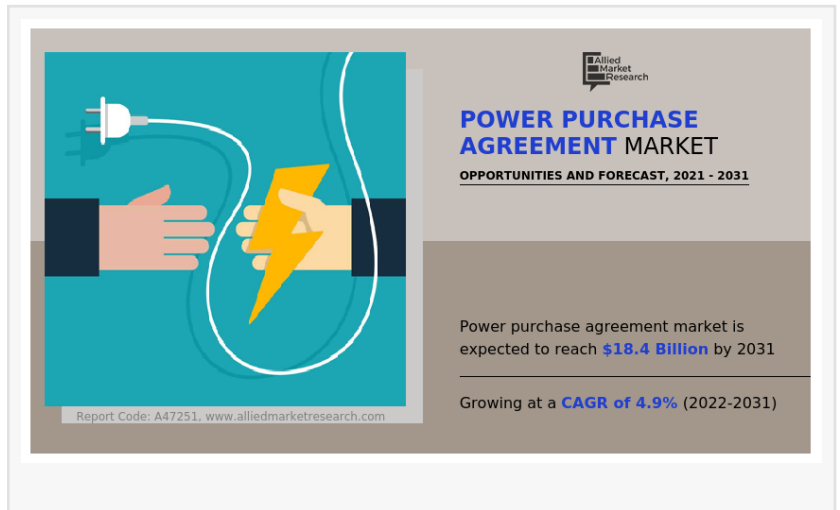


Power Purchase Agreement (PPA) Market Expected to Target \$18.4 billion by 2031

The Evolving Landscape of Power Purchase Agreements: A Comprehensive Market Overview

WILMINGTON, DE, UNITED STATES,
October 1, 2024 /EINPresswire.com/ --

According to a new report published by Allied Market Research, the [power purchase agreement \(PPA\) market](#) size was valued at \$11.6 billion in 2021, and is estimated to reach \$18.4 billion by 2031, growing at a CAGR of 4.9% from 2022 to 2031.



PPA is the foundation document for most power projects and fundamental instrument to facilitate the sale and purchase of electrical power. Power purchase agreement is another step towards the sustainability arrangement under which a company enters a long-term contract with an independent power producer or a utility and commits to purchasing a specific amount of renewable electricity or the output from a specific asset (sleaved or virtual), at an agreed price.



Inclination towards the renewable energy consumption in corporates is the upcoming Trends of Power Purchase Agreement Market in the World”

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Europe region held 47.8% share in terms of revenue and is anticipated to grow at a CAGR of 4.8% during the forecast period. Future developments in Spain solar storage industry are projected to drive the growth of the power purchase agreement market in the country.

North America holds the highest CAGR of 5.3% in the forecasted period.

Some of the major players in the [global power purchase agreement \(PPA\) industry](#) include Schneider Electric, RWE, ENGIE, Statkraft AG Group, Enel Spa, Siemens, Ameresco. Other players

in the Power purchase agreement market are General Electric, Shell, Renewable Energy Systems Ltd., Ecohz and others.

Power purchase agreement is also called as “Green Power Purchase Agreements” (Green PPAs). The power purchase agreements operate over the medium or long term (5 to 20 years). In the agreement, the developer sells the power generated to the host customer at a fixed rate which is typically lower than the local utility’s retail rate.

Several benefits are associated with PPA such as a fixed long-term rate and guarantees of origin of renewable assets. All regions are engaged in the development of the power saving solutions which can help to lower the global footprints and cost saving on power consumptions.

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The adoption of green energy is increasing in Asia, and Australia which is creating power purchase agreement market opportunity.

Large corporates are entering into PPA to buy electricity from renewable energy projects located near to their premises (on-site projects) and sometime remote from their location (off-site).

As per [power purchase agreement market forecast](#), corporates are entering to PPA to promote energy conservation and energy efficiency which help the business to complete the sustainability policies.

In all regions, the consumption of green energy is increasing on high rate which foster the power purchase agreement market growth. With implementation of the proposed programs to build a energy efficient corporate building will help to boost the power purchase agreement market trend in near future.

Lower power prices encourage customers to sign PPAs and make fewer purchases of electricity from utilities which is boosting the power purchase agreement market share in the energy industry.

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PPA ensure developer to receives the income from the sales of electricity as well as any tax credits and other incentives generated from the system which is uplifting the power purchase agreement market size in forecasted period.

At the end of the PPA contract term, a customer may be able to extend the PPA or choose to buy the solar energy system from the developer.

On the basis of type, the physical PPA segment hold 59.5% share in terms of revenue and the solar energy segment is expected to grow at the highest CAGR of 5.0% during the forecast period. The physical PPA comes with high flexibility as customer can purchase a large volume of electricity through a single transaction due to which the adoption of physical PPA type is increasing in the power purchase agreement market.

On the basis of end-use, the corporate segment holds 57.0% share in terms of revenue and is expected to grow at a CAGR of 5.1% during the forecast period. Corporates are entering into both kind of PPA due to which corporate is dominating the market.

On the basis of application, the wind segment holds 39.9% share in terms of revenue and is expected to grow at a CAGR of 4.8% during the forecast period.

The solar segment holds the highest CAGR of 5.1% during the forecast period as several cost benefits are associated with the solar panels and solar energy storage.

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The power purchase agreement market share is anticipated to witness tremendous growth due to inclination towards the renewable energy consumption in corporates segment.

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Pawan Kumar, the CEO of Allied Market Research, is leading the organization toward providing high-quality data and insights. We are in professional corporate relations with various companies and this helps us in digging out market data that helps us generate accurate research data tables and confirms utmost accuracy in our market forecasting. Each and every data presented in the reports published by us is extracted through primary interviews with top officials from leading companies of domain concerned. Our secondary data procurement methodology includes deep online and offline research and discussion with knowledgeable professionals and analysts in the industry.

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