PEXAPARK

PPA Times

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www.pexapark.com
info@pexapark.com

Monthly PPA News Digest

PRICE TRENDS & PPA TRACKER

June 2025

TOPIC SPOTLIGHT

Unpacking the H1 2025 decline: 4 + 1 key trends that paint the full picture

US SPECIAL

Congress passes Trump's "One Big Beautiful Bill" Act slashing billions in federal renewable subsidies

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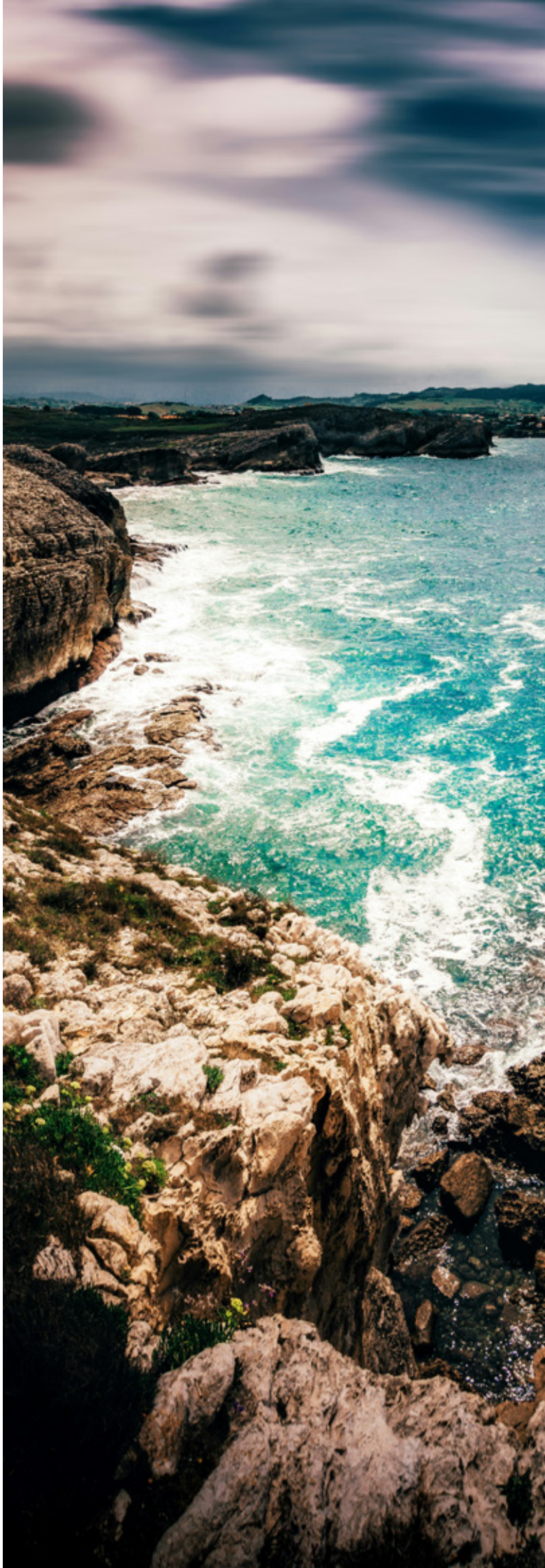


EDITORIAL NOTE

Welcome to PPA Times – July 2025 Edition!

Price Trends – PPA prices experienced mixed movements across Europe, with Pexapark's EURO Composite remaining largely flat month-on-month. On the regulatory front, the European Commission adopted a new Clean Industrial State Aid Framework (CISAF).

PPA Tracker – Following an unsettling slip, deal flow in **Europe's PPA market recovered sharply with a reassuring month-on-month surge in volumes** and a 40% rise in deal count. Highlights: France innovates with Waste-to-Energy PPAs, while TfL celebrates first PPA in GB.

Spotlight Topic – As Q2 2025 comes to an end, we take a detailed look at H1 2025 PPA & BESS activity. What are the nuances behind decreased PPA volumes? **"Unpacking the H1 2025 decline: 4 + 1 key trends that paint the full picture"** is our cut of the five main trends that are shaping the story of the year so far.

US Special – Congress passed '**One Big Beautiful Bill**,' slashing renewable energy subsidies and sending shockwaves through the clean power industry. With tighter deadlines and stricter rules, the law threatens to slow growth and **has already pushed PPA prices higher – but it's not all bad news**.

Signed, sealed, delivered.

Yours,

MARITINA KANELLAKOPOULOU, EDITOR

Commentary by:
VICTORIA SANTOS
PPA Markets and Pricing Analyst

PRICE TRENDS

June 2025

Commodities Monitor

Germany's Cal-26 baseload power futures declined 1.5% month-on-month, despite significant volatility throughout June. Prices rose for most of the month, reaching a five-month high on 16 June, before falling back sharply after 24 June. This trajectory closely mirrored movements in the Dutch TTF gas market. Gas prices surged mid-month, peaking at 38.9 EUR/MWh on 23 June, amid heightened fears of supply disruption due to tensions in the Middle East — particularly around the potential closure of the Strait of Hormuz, through which around 20% of the world's LNG passes.

However, prices retreated following confirmation by Iranian state media of a ceasefire deal with Israel, which eased geopolitical risk and led to a drop in prices. Further downward pressure came from the EU's relaxation of gas storage refilling targets, allowing member states more flexibility to reach 90% storage between 1 October and 1 December versus 1 November previously.

EU ETS carbon prices followed a similarly volatile path but were driven by distinct factors. Prices rose early in the month, peaking on 13 June due to concerns over nuclear availability and a European heatwave. However, they declined sharply thereafter, decoupling from gas prices. Market analysts noted that there was no clear fundamental reason for the decline, suggesting speculative behaviour may have influenced the downturn. The API2 coal Cal-26 contract was the only tracked commodity increase month-on-month, closing at 111.9 USD/t — a 6.7% rise from May. Coal prices spiked to their highest level in nearly five months amid concerns over LNG supply and continued to rise amid increased power demand from the heatwave in Europe when LNG fears subsided.

PPA Price Summary

PPA prices experienced mixed movements across Europe in June 2025. Pexapark's EURO Composite remained largely flat month-on-month with minimal change from May, closing at 49.6 EUR/MWh. **The Iberian markets saw the strongest price gains**, with PPA prices rising by 4.9% in Portugal and 4.2% in Spain. These increases tracked a rally in Iberian power futures, as the Cal-26 and Cal-27 curves hit four-month highs on 23 June amid bullish sentiment in gas markets, triggered by escalating geopolitical tensions in the Middle East.

In contrast, the GB market recorded the largest decline, with PPA prices falling 2.7%, in line with power price movements. Although annual power prices trended upward during most of the month due to rising gas prices, gains were ultimately capped following the announcement of a ceasefire in the Middle East. This prompted a downward correction in energy prices, reversing some of the early-month increases.

Regulatory Pick in partnership with DLA Piper

EU: New State aid framework enables support for clean industry

On 25 June 2025, the European Commission adopted a new **Clean Industrial State Aid Framework (CISAF)** to support the Clean Industrial Deal and accelerate the EU's green transition.

The framework replaces the Temporary Crisis and Transition Framework (TCTF) and will apply until 31 December 2030. The CISAF sets out the conditions under which Member States can grant public support for investments in clean energy, industrial decarbonization, and clean technology. It simplifies existing State aid procedures and broadens the scope for government intervention, while ensuring continued alignment with EU competition rules. The framework applies to a wide range of technologies and projects, and aims to mobilize both public and private investment in support of the EU's climate and industrial objectives.

Specifically, **the CISAF enables support in five main areas**: **(i)** the deployment of renewable energy and low-carbon fuels; **(ii)** temporary electricity price relief for energy-intensive users**; (iii)** the decarbonization of existing production facilities; **(iv)** the development of clean tech manufacturing capacity; **(v)** and the de-risking of investments in clean energy infrastructure, circular economy projects, and related technologies. Simplified fast-track procedures will be available for schemes aligned with EU strategic priorities, such as those supporting hydrogen, wind, solar, and critical raw material processing.

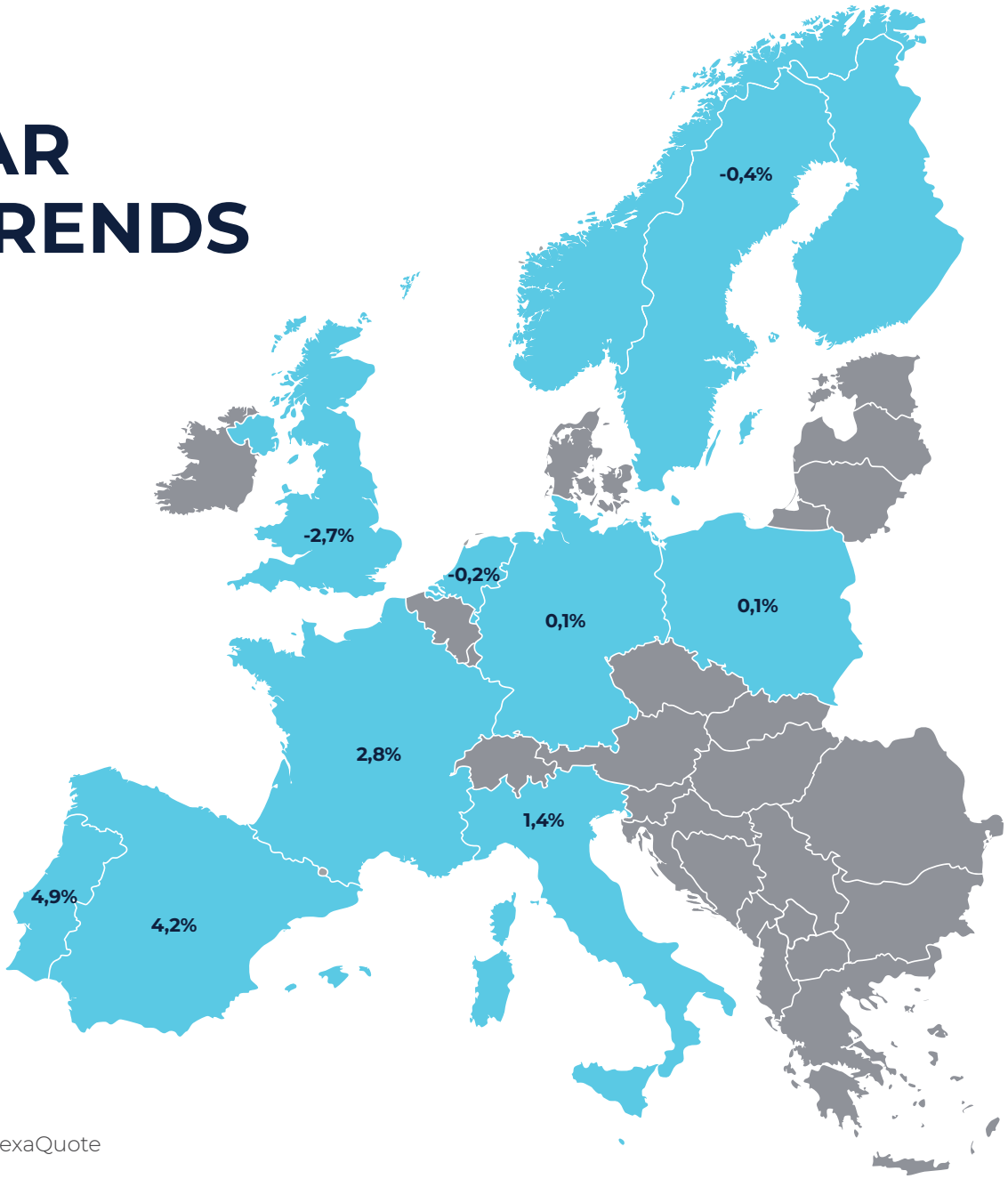
To facilitate implementation, the framework allows for a variety of aid models, including *fixed maximum amounts* (up to €200 million), *support based on the funding gap, or aid granted through competitive tenders.*

In parallel, new rules on flexibility and capacity mechanisms will help integrate intermittent renewables while maintaining a stable and secure electricity supply. **Energy-intensive companies receiving electricity price support will be required to invest in decarbonization, ensuring a balanced approach between affordability and climate ambition**. The CISAF also reinforces the EU's goal of industrial resilience by allowing targeted support for clean technology manufacturing, particularly in strategic sectors identified in the Net-Zero Industry Act. The CISAF is expected to play a central role in delivering the Clean Industrial Deal and achieving the EU's 2040 climate target, while preserving fair competition in the Single Market.

All the key European regulatory updates can be found on PexaQuote's Market Comment.

10-YEAR PPA TRENDS

June 2025



Source: *PPA Trends*, PexaQuote

	France	GB	Germany	Italy	Netherlands	Nordics	Poland	Portugal	Spain
RELATIVE CHANGE (%)	▲ 2,8%	▼ -2,7%	▲ 0,1%	▲ 1,4%	▼ -0,2%	▼ -0,4%	▲ 0,1%	▲ 4,9%	▲ 4,2%

	EURO COMPOSITE
END OF MAY	49,4 EUR/MWh
END OF JUNE	49,6 EUR/MWh
RELATIVE CHANGE (%)	▲ 0,5%

	DE PWR Cal26	API Cal26	EUA Dec25	TTF Cal26
END OF MAY	85,9	102,0	70,4	33,3
END OF JUNE	84,6	111,9	69	33,2
% CHANGE	▼ -1,5%	▲ 9,7%	▼ -2,0%	▼ -0,1%

All prices in EUR/MWh except API cal26 which is in USD/t and EAU Dec25 in EUR/t

PPA DEAL TRACKER

Commentary by:
MARITINA KANELLAKOPOULOU
Senior Insights Analyst
& Content Manager

June 2025

After an unsettling slip, deal flow in Europe's PPA market recovered sharply with a reassuring month-on-month surge in volumes and a 40% rise in deal count.

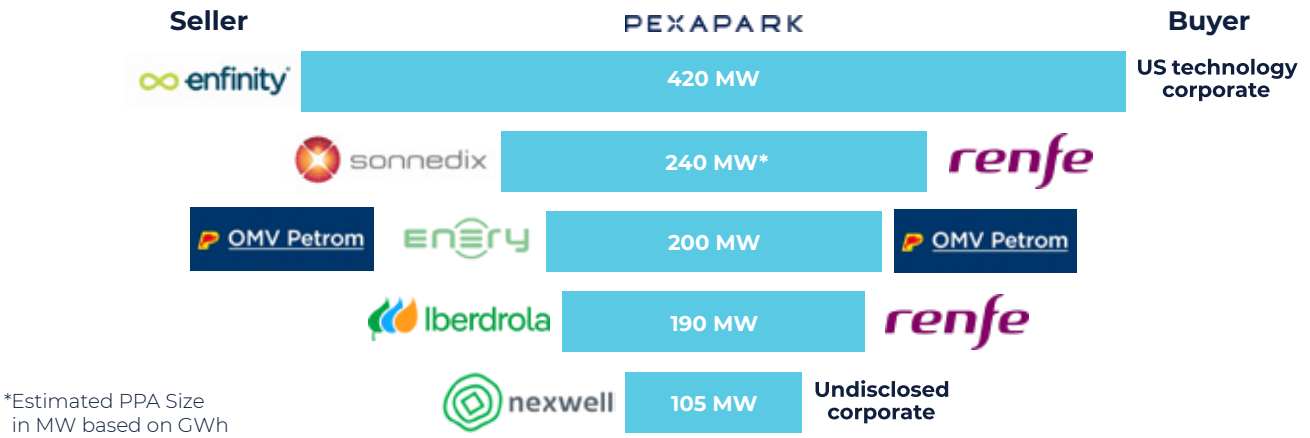
June saw 1,429 MW of fresh contracted PPA volumes across 20 PPA announcements, a staggering 700% increase in disclosed volumes compared to last month. As of June, **the monthly average for 2025 stands at 1,013 MW** – down 26% YOY compared to 1,376 MW in 2024.

Corporates accounted for 1,336 MW – more than 93% of volumes, across 15 deals – roughly 75% of deal count.

Even though five Utility PPAs account for a respectable 25% of deal count, disclosed volumes were not more than 90 MW.

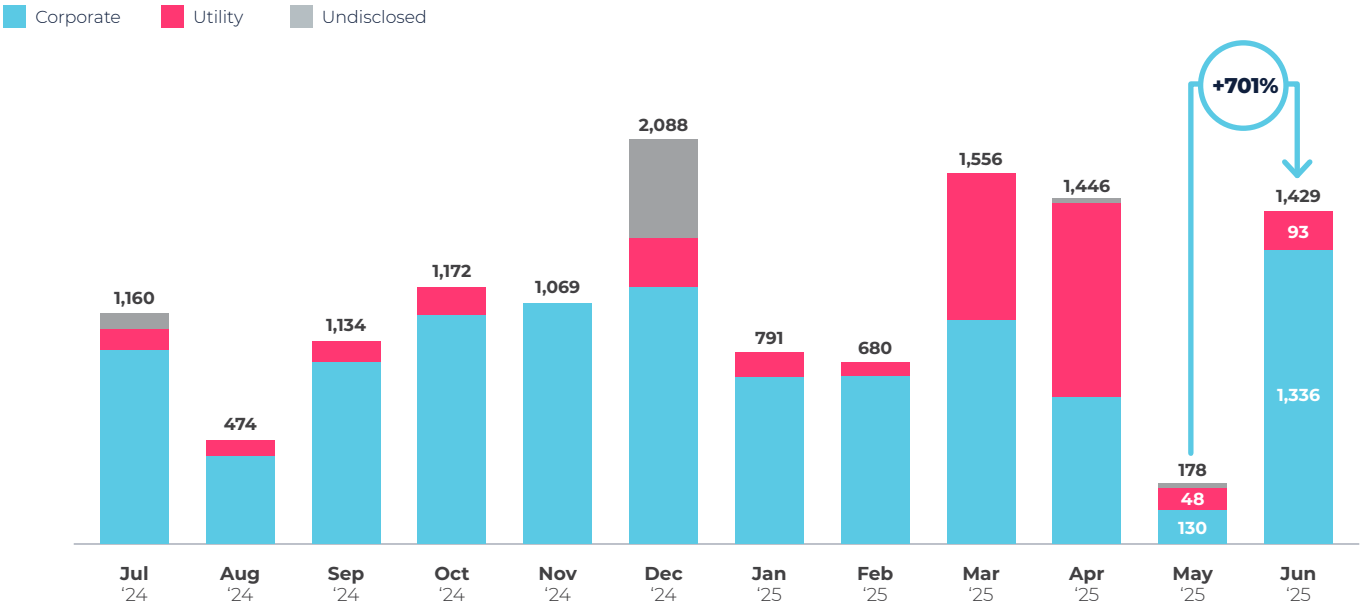
Solar volumes amounted to 1,183 MW across 12 deals, and onshore wind reached 190 MW across four deals. Offshore wind has had a rare guest appearance in 2025's deal flow and so has waste-to-energy. Geographical footprint spanned across eight European countries: Spain (579 MW #6), Italy (420 MW #2), Bulgaria (200 MW #1), Great Britain, Poland, France, Germany and Sweden.

SELECTION OF TOP BUYERS AND SELLERS IN THE MONTH OF JUNE 2025

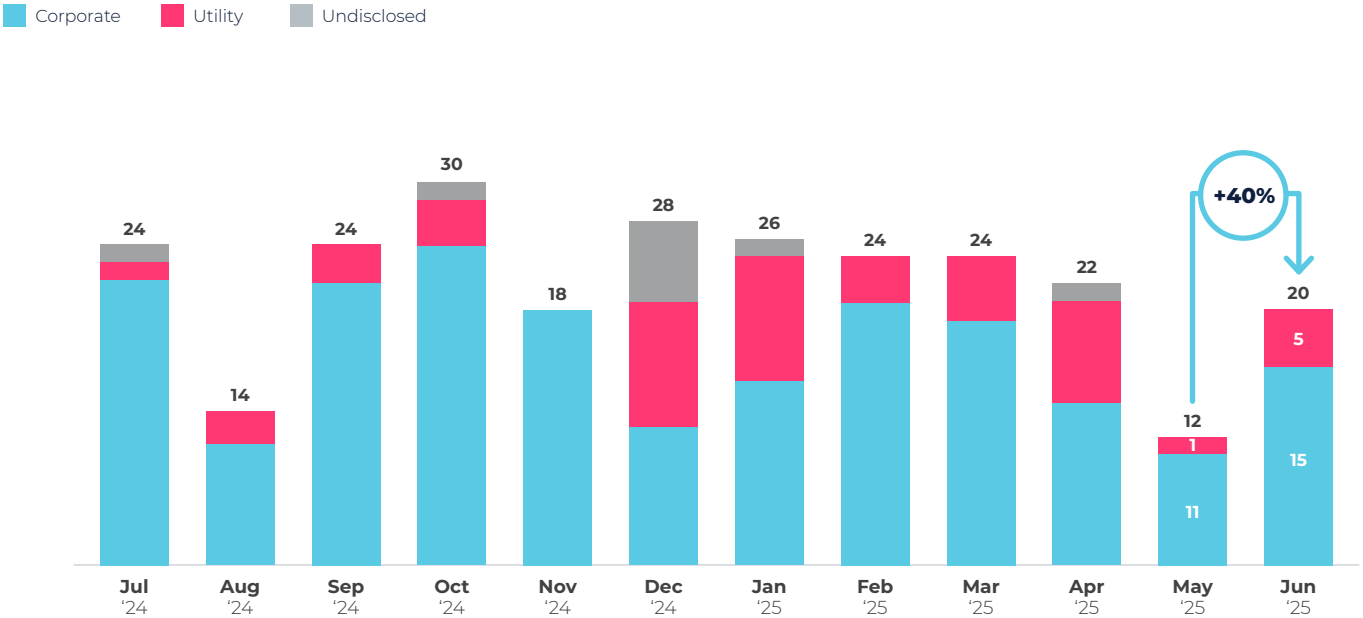


*Estimated PPA Size in MW based on GWh

12-MONTH ROLLING: MONTHLY PPA MW SIGNED



12-MONTH ROLLING: MONTHLY SIGNED PPAS



Source: ***PPA Tracker*, PexaQuote**

PPA HIGHLIGHTS

France innovates with Waste-to-Energy PPAs

In June, **waste management specialist SUEZ announced offtake arrangements with two French corporates** linked to its waste-to-energy facilities in the country. **Carrefour** will offtake around 700 GWh over the next 15 years (around 46 GWh per annum), while **Bouygues Telecom** will offtake 87 GWh per annum for the same period. The agreements appear a baseload delivery with fixed volumes 24/7.

The deals emerged amid a market environment that sees increased demand for non-intermittent energy from corporates and industrials. **The technology is a newcomer in the European PPA market, although increasingly discussed over the past 18 months**. Great Britain could also emerge as a strong waste-to-energy PPA market due to strong investment in such infrastructure assets over the past decade.

Mind the Gap: TfL announces inaugural PPA

Taking a break from keeping London on track, **Transport for London (TfL) celebrated its first publicly announced PPA** – one in the making for a long time. **EDF Renewables UK** emerged as the winner of a TfL's tender looking to sign a 15-year PPA. The deal is linked to a solar PV project in Linfield, Essex set to be constructed in 2026. TfL will offtake around 20% of the project's output, which is about 80 GWh per annum (1,200 GWh over the entire contract period).

TfL first made its first Corporate PPA tender attempt in 2020, but found quite a few bumps on the road, making the moment **a milestone for the organization's green energy procurement plans**. Its aim is to secure up to 70% of its electricity needs from PPA-backed renewable energy by 2030. The country's CfD scheme is often creating challenges both in terms of project availability and pricing expectations. Despite some deal flow demonstrating determined corporate demand, deal flow is more than 50% down year-on-year.

For real time data **click here**


Commentary by:
MARITINA KANELLAKOPOULOU
Senior Insights Analyst
& Content Manager


DOMINIQUE HISCHIER
VP Editorial
& Analysis

TOPIC SPOTLIGHT – Unpacking the H1 2025 decline: 4 + 1 key trends that paint the full picture

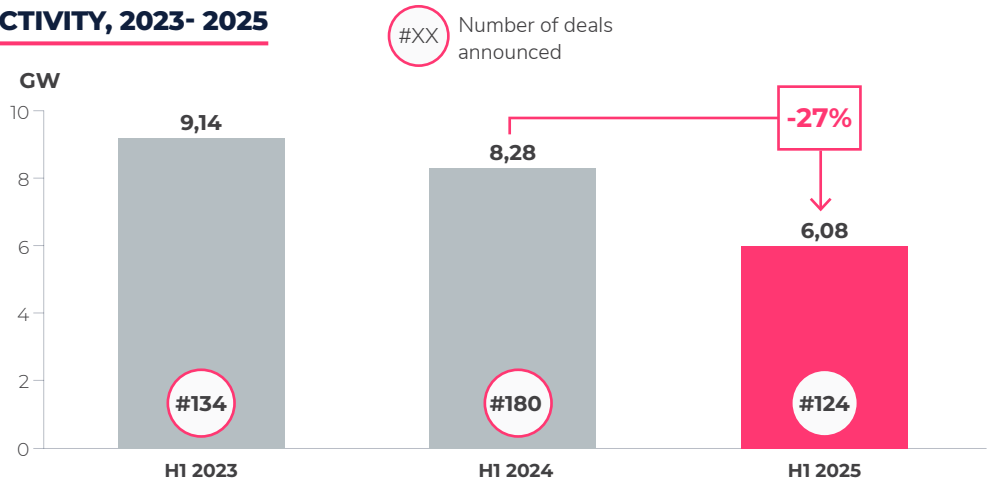
As Q2 2025 comes to an end, we take a detailed look at H1 2025 PPA & BESS activity. What are the drivers behind decreased PPA volumes? This is our cut of the five main trends that are shaping the story of H1 2025 so far.

1. PPA activity down more than 25% year-on-year, but not everywhere – and not necessarily due to solar!

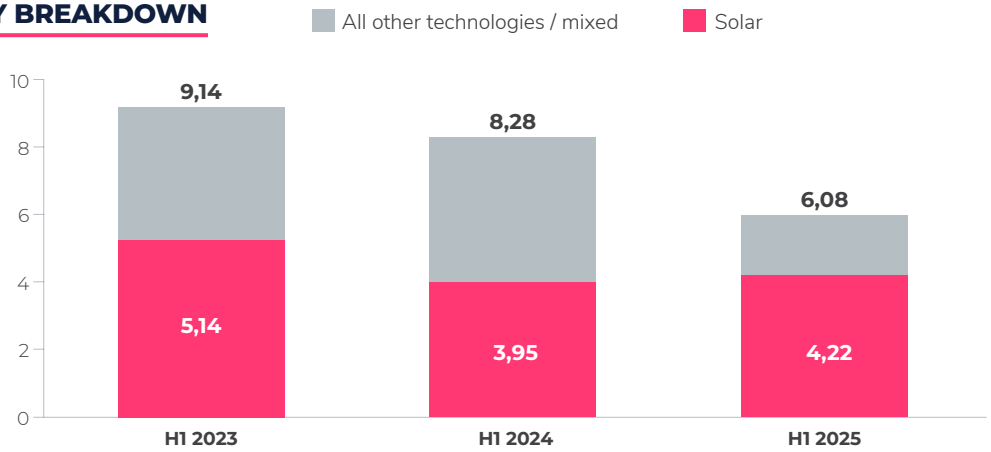
Q2 saw around 3 GW of disclosed contracted capacity across 50 deals. Quarter-to-quarter, volumes moved sideways, whereas deal count decreased by 32%.

In total, H1 2025 saw around 6.08 GW of renewable capacity contracted under PPAs across 124 deals – a year-on-year decrease of 26% in volumes (H1 2024: 8,25 GW) and 31% in deal count (H1 2024: 180 deals). Interestingly, the average deal size in H1 2025 stands at 48.2 MW – around 5% higher compared to the equivalent in 2024.

H1 MARKET ACTIVITY, 2023- 2025



TECHNOLOGY BREAKDOWN



Source: ***PPA Tracker*, Pexapark**

The main technologies of the first half of 2025 have been solar (4,2 GW|73 deals), onshore wind (1,4 GW|32 deals), mixed-technology (290 MW|9 deals) and offshore wind (134 MW|4 deals). **The technology balance is proportionate to what the picture looked like in H1 2024**.

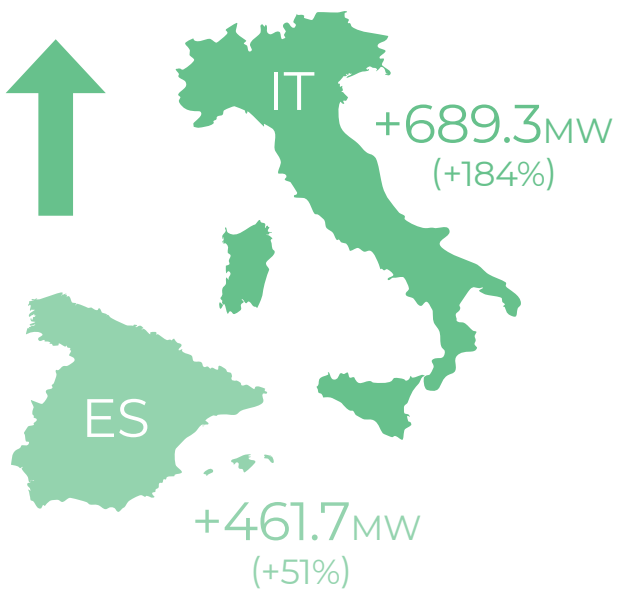
Despite concerns over saturation of demand for standalone solar, volumes haven't faced a decrease yet. H1 2025 saw 4,2 GW of solar capacity contracted under PPAs– a slight increase year-on-year compared to the 3,9 GW in H1 2024. Deal count is lower (73 in lieu of 95 last year), but in line with the overall trend. A key observation is the decrease in Mixed-technology PPA volumes. Offshore wind also experienced a further decline from the already low volumes recorded in H1 2024, from 543 MW and 14 in H1 2024, to 138 MW across four PPAs this year.

Solar offtake activity in H1 2025 reveals a clear split in market momentum. Solar offtake activity is slowing down in markets where cannibalization has worsened drastically and rapidly – such as Germany and France. In fact, Germany saw the largest decline in volumes – **a remarkable 84% year-on-year decrease in terms of overall volumes**, with 228 MW across eight deals in H1 2025 in lieu of a frenetic 1.2 GW across 31 deals in last year's equivalent.

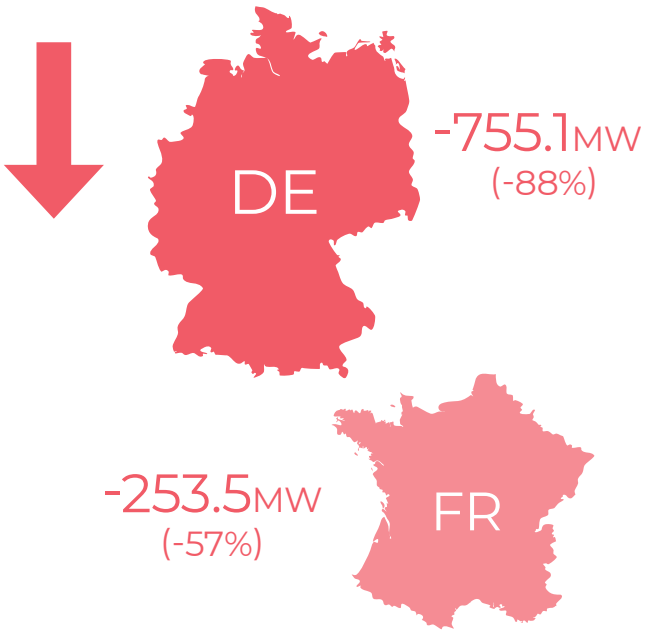
Still, volume losses in Germany and France were countered by increased solar activity in Italy and Spain. These numbers support the hypothesis that **there is stable, or even upward appetite in markets which have had time to adjust to cannibalization and the lower valuation of solar production – i.e., Spain, or cannibalization levels are still very low – such as Italy**. **Italy's solar** PPA volumes grew 184% year-on-year, with nearly an additional 700 MW procured compared to the same period last year. Corporate appetite in the country is growing, and so is deal size – with a 420 MW solar corporate deal announced in June comprising the country's largest PPA ever recorded.

H1 SOLAR OFFTAKE VOLUMES, 2024 VS. 2025

Solar markets accelerating



Solar markets declining



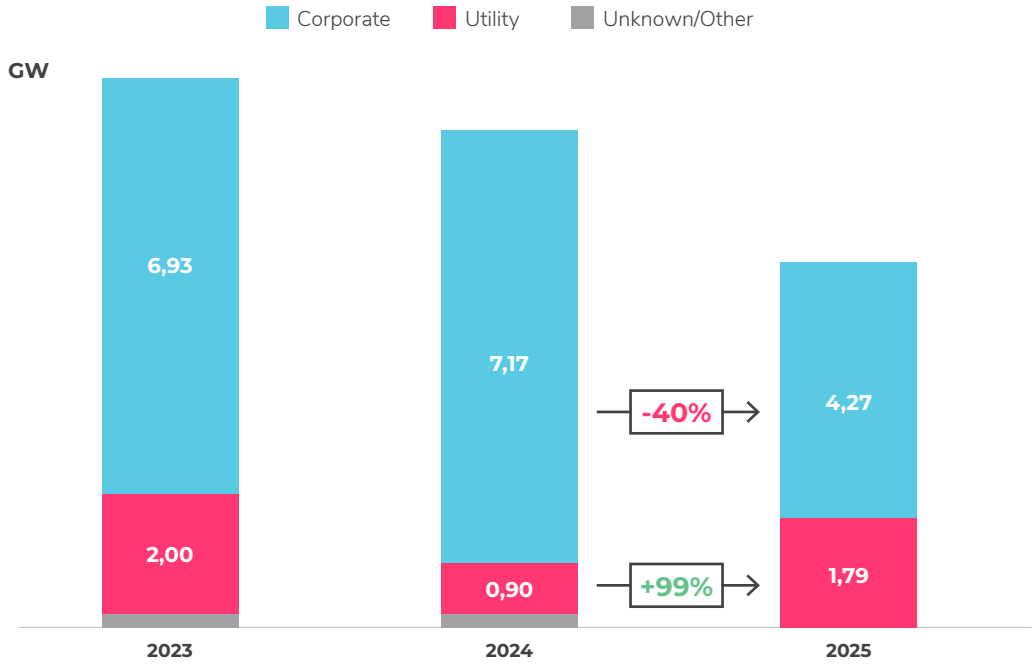
Source: **Pexapark**

When it comes to **onshore wind volumes**, Finland experienced the biggest increase. Amazon's onshore wind spree contributed to the country seeing the largest YOY growth overall. In H1 2025, Finland saw 544 MW of activity across five deals – a 423% increase in volumes compared to H1 2024. **Sweden, an almost exclusively onshore wind market, experienced the most drastic decline in volumes – a move that doesn't come as a surprise as the country saw the most hours of negative prices**.

2. Traders capitalize on market risks as corporate buyers hesitate

H1 2025 saw a clear **slowdown of corporate activity**, with around 4,3 GW of disclosed corporate volumes – more than 40% down YOY (H1 2024: 7,2 GW), across 94 deals. Meanwhile, there's been a clear and **steady recovery of utility PPA** activity. Specifically, H1 2025 saw a doubling of disclosed utility PPA volumes (1,8 GW across 28 PPA deals) up from 900 MW across 12 deals year-on-year.

H1 ACTIVITY BY BUYER TYPE, 2023- 2025 (MW)



Source: ***PPA Tracker*, Pexapark**

There are a **number of factors that are holding back corporate procurement** currently:

- The emergence of negative prices and buyers' reluctance to assume part of this risk
- Limited understanding of future cannibalization effects and uncertainty on how to price this effectively
- Mismatch between solar production profiles and consumption patterns, and the fact that baseload structures – which would be more closely aligned with corporate consumption patterns – are lacking in the market

Meanwhile, traders and utilities – whose business is managing risk – are increasingly willing to take positions on future market developments and capture the upside. As BESS offer a natural hedge against solar capture risks, and utilities accelerate efforts to build BESS into their portfolios, market players are more inclined to expand their renewables exposure and integrate solar volumes.

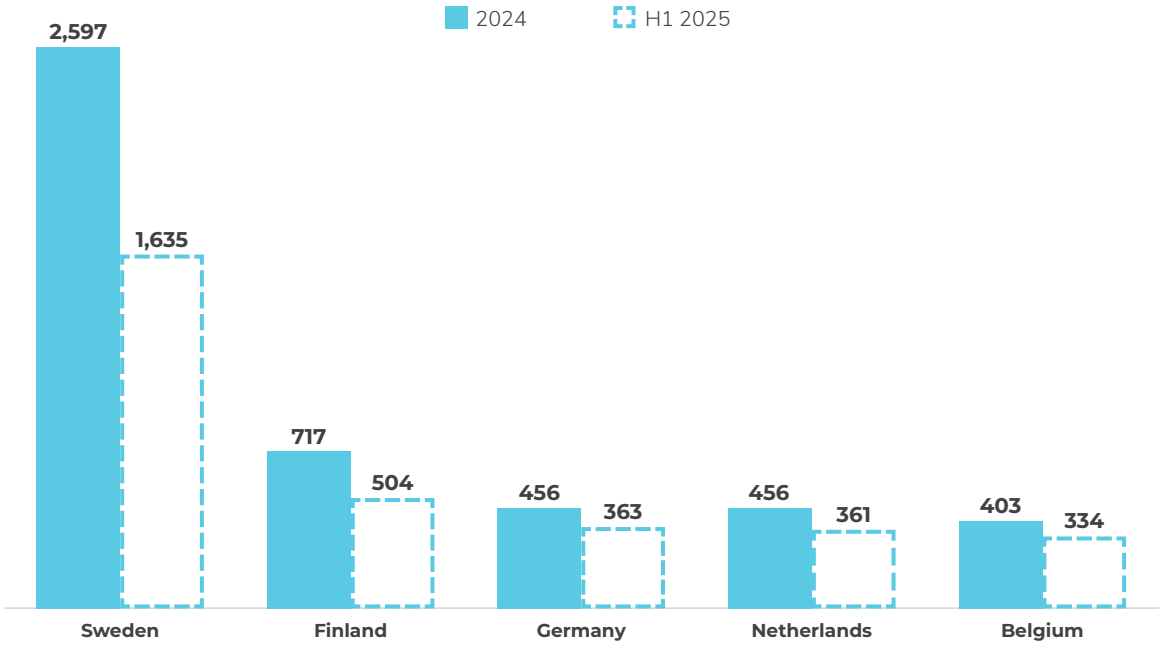
In a market increasingly driven by flexibility monetization, today's challenges – cannibalization, future capture dynamics and balancing risks – are becoming opportunities for those with the right profile. And with corporate buyers more hesitant to pay premiums for solar, **transactable prices are – perhaps for the first time in a while – closer to perceived fair value**. This better aligns with buyers' risk-adjusted views of contract value, supporting traders' and utilities' opportunistic procurement strategies. **In short, the price is right**.

What remains unchanged: **first-time buyers continue to enter the market at a steady pace – both corporates and utilities**. In H1 2025, **11 utilities** made their debut in the PPA market, with around 313 MW in disclosed contracted volumes. Examples include Flower, Trafigura and Plenitude. On the corporate side, **53 first-time buyers** entered the market, contracting roughly 2 GW. Notable names include Autoliv, TfL, Swiss Federal Railways (SBB), Stellantis.

3. Negative price hour events en route to surpass last year's levels, with lack of consensus on how to price the risk

The theme of negative pricing hours across European markets continued strong in H1 2025. According to Pexapark's data analysis, Sweden has maintained its top position for the market with the most such events (across all pricing zones at similar levels). The same applies to the remaining jurisdictions that make up the top five in Europe, which have remained the same since 2024. **On average, European countries have reached around 67% of last year's number of events**. Norway has reached 90%, Denmark 87% and Spain 86%, suggesting that this year will see last year's records tumble.

TOP FIVE EUROPEAN MARKETS BY NUMBER OF NEGATIVE PRICE HOURS, 2024 AND H1 2025



Source: **Pexapark Analysis**

Overall, negative price hours are leading to decreasing capture rates and greater pricing uncertainty for PPAs, with large differentials in PPA prices depending on how this risk is allocated between buyer and sellers (and depending on how parties expect this risk to develop in the coming years). **A price consensus is only slowly starting to form on how to manage and price negative price risk in a contract. A notable trend is that solar risk discounts appear to be steeper**.

4. Price vs. value – Are PPAs overpriced?

In opaque renewable energy offtake agreements — such as long-term PPAs for solar and wind, or tolling agreements for BESS — price does not always reflect true (risk-adjusted) value. As Warren Buffett famously said: "Price is what you pay. Value is what you get." **This distinction has become especially relevant in recent PPA transactions, where many transactions have occurred above what would be considered fair market value**. These deals for new-build projects often included a "**green premium**" to reflect additionality, with corporates driving much of the demand.

The most pronounced PPA activity has now taken place in markets where transactable prices — the levels at which buyers and sellers can reach an agreement — have incorporated significant green premiums.

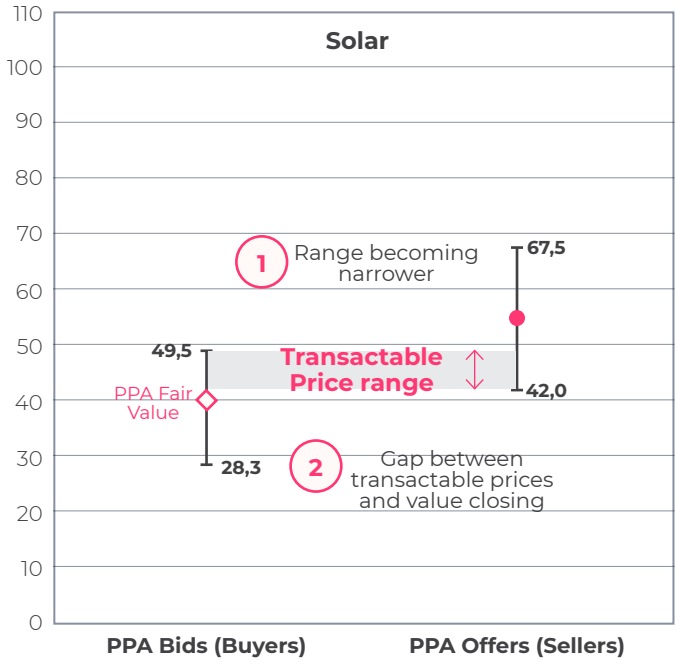
In such cases, utilities have often been priced out of the market. For instance, in France, Pexapark reported that transactable prices exceeded what they considered a fair, risk-adjusted value for a 15-year solar Pay-as-Produced PPA starting in 2027 by as much as 15 EUR/MWh.

In today's environment, two clear trends are emerging.

First, transactable price ranges are narrowing. According to Pexapark's polling data, the overlap between the highest bids from buyers and the lowest offers from sellers is shrinking. This narrowing suggests a lack of consensus on pricing and reflects more cautious market behaviour. When price ranges are wide, buyer and seller expectations are generally aligned. When they are narrow, agreements become harder to reach.

GERMANY REPORTED PRICE RANGES FOR PPA BIDS AND FOR SOLAR

(EUR/MWh)



Source: **Pexapark Polling**

Second, transactable prices are moving closer to what market professionals view as fair value. Corporates are re-evaluating their procurement budgets and their willingness to pay green premiums.

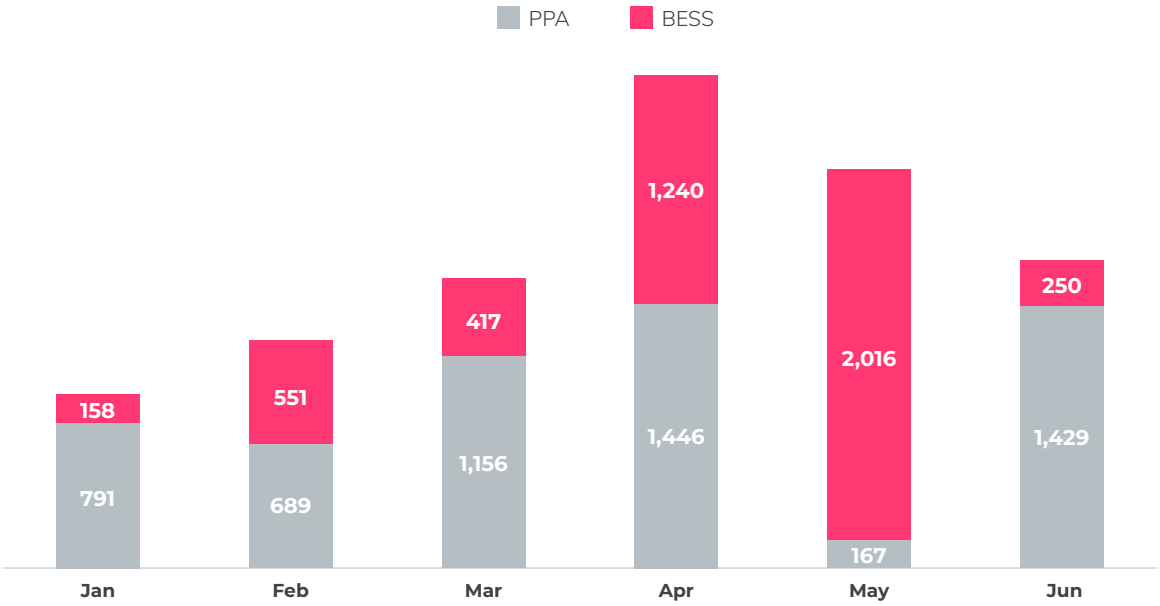
As this recalibration unfolds, the PPA market appears to be entering a more disciplined phase – one where PPA pricing more accurately reflects underlying value and risk.

Plus 1 – BESS deal flow takes off as a new market emerges

The maturity of the BESS industry is clearly reflected in deal count and contracted volumes over the past 18 months, with the trend increasingly pronounced in 2025 so far. The foundations that were laid over the past eight years – centered around project development, refining and evolving business models, and regulators playing catch-up at different pace across Europe – are now resulting in **compounded growth and activity**.

In total, **H1 2025 saw 4,6 GW/9,2 GWh of BESS capacity being contracted under optimization or fixed revenue offtake contracts (e.g. floors, tolls) across 36 deals**. The values reveal a mammoth increase of activity, already more than **triple the offtake volumes of the entire 2024** (1,6 GW/3 GWh) and deal flow having surpassed 2024's entire deal count by 44%.

BESS & PPA CONTRACTED VOLUMES, H1 2025 (MW)



Source: **Pexapark, BESS Tracker**
Note: **BESS optimization or contracted revenue-type of offtake agreements**

This rapid growth was driven by a wave of new agreements in the two most advanced markets – **Great Britain and Germany** – alongside first-ever BESS deals emerging in Belgium, Poland, Greece, and Bulgaria.

The lion's share of deal flow concerns 2h BESS assets, with signs of activity involving 3h and 4h assets. Larger-scale assets increasingly embark on bankable fixed-payment structures such as tolls and floors. **H1 2025 saw four tolls for more than 200 MW** and 1 GW of floors across two deals.

At the same time, asset owners have shown a **growing appetite for fully merchant structures**, typically offered by specialized algorithmic traders. Merchant deal capacity reached nearly 2.5 GW in H1 2025, up from just 410 MW in 2024. Portfolio-level deal capacity accounted for 3 GW in H1 2025, a practice gaining traction as bundling assets offers a more diversified risk profile that is suitable for lenders.

Outlook

The corporate PPA market is undergoing a transition and the era of 'green at any cost' appears over for now. In the near term, the European PPA market is likely to continue experiencing more selective activity, but with more innovative structures and increased integration of BESS solutions.

Utilities are returning to the market playing to their core strengths — pricing and managing risks— seizing opportunities when market prices align with perceived value. Meanwhile, BESS is broadening the range of possibilities.

Markets that had more time to adapt are showing greater resilience, suggesting this may be an adjustment phase, not the beginning of a doom and gloom. H2 2025 definitely looks like one to watch!

Commentary by:
JEREMY ZELINGER
Marketing Director – USA

US SPECIAL: CONGRESS PASSES TRUMP'S "ONE BIG BEAUTIFUL BILL" ACT SLASHING BILLIONS IN FEDERAL RENEWABLE SUBSIDIES

In a sharp policy U-turn, Congress passed Trump's 'One Big Beautiful Bill,' slashing renewable energy subsidies and sending shockwaves through the clean power industry. With tighter deadlines and stricter rules, the law threatens to slow growth and has already pushed PPA prices higher – but not all is bad news, as key incentives for storage, hydrogen, and nuclear remain intact.

The Republican-led Congress narrowly passed President Donald Trump's "One Big Beautiful Bill" Act (OBBBA) on July 3, in a move that will abruptly end billions of dollars in federal renewable energy subsidies that were set to last well into the next decade. While the clean energy industry dodged even deeper cuts, the legislation is expected to sharply slow down the sector's recent explosive growth.

To qualify for lucrative production or investment tax credits under the new law, wind and solar projects must begin construction within 12 months of the bill's enactment or otherwise be placed into service by the end of 2027. For many developers, however, an even shorter construction deadline of year-end 2025 will likely apply. This is because, starting in 2026, projects with parts and services sourced above a threshold from so-called foreign entities of concern, like China, which dominates global supply chains for renewable energy, will be ineligible to receive the tax credits.

These deadlines pose a hard cliff for project developers whose major investments hinged on the Biden-era's gradual phase-out of credits that began around 2032. The short deadline is expected to set in motion a dash among developers to start construction of their projects in order to qualify for the tax credits and a rush among offtakers to lock in lower PPA prices before there's a drop in new projects. Notably, the Trump administration issued an executive order on July 7, announcing forthcoming guidance that will restrict the use of the start-of-construction safe harbor to projects that have "substantial" portions completed, and to prevent "artificial acceleration or manipulation of eligibility."

For as adverse as the bill was for the clean energy industry, there were some bright spots. The bill keeps intact production and investment tax credits for battery storage, clean hydrogen, geothermal plants, and nuclear reactors, with those subsidies set to last until 2036.

Other measures, which would have been even more detrimental to the industry, were scrapped. For example, a previous proposal required all new projects to be completed by 2027 to get credits. A previous version also included a controversial tax for wind and solar projects that sourced a certain percentage of materials from prohibited countries, like China.

Trump's bill is a policy whiplash for the industry. Just as the Biden administration's Inflation Reduction Act of 2022 started to spur a dramatic renewable power expansion, this legislation is projected to slash by up to half the amount of solar and wind capacity additions by 2035, according to some analyst forecasts. The gutting of the subsidies not only jeopardizes billions of dollars in clean energy investments, but also comes at a time when grid managers are scrambling for new capacity to meet surging demand from data centers.

In the week following the unveiling of Trump's legislation on May 20, the market value for PPAs jumped. This trend was evident in the PJM Interconnection market, where in the week following the bill's introduction, a 10-year, as-generated, solar PPA, starting in 2027, for delivery in PJM's benchmark Western Hub, reached $84.74/MWh on May 27, a gain of about $3/MWh, according to Pexapark's PPA data. This comes amid expectations for fewer renewable projects in the market.

Among the other changes include a quicker phase-out of the Advanced Manufacturing Production Credit (45X), which had spurred numerous factory plans. Credits for the production of wind-related component credits will be eliminated for items produced and sold after 2027. This marks an acceleration from the prior Biden-era law in which credits phased down after2029 on a five-year schedule. The law also sets strict "Foreign Entity of Concern" rules, barring projects or factories using equipment or inputs from countries like China from receiving certain credits starting in 2026.

The administration has made no secret of its opposition to renewable power. U.S. Energy Secretary Chris Wright has called wind and solar subsidies "wasteful and counterproductive," noting the maturity of the industry, the intermittent nature of the power sources, and the number of extensions of the subsidies. For his part, Trump, an apparent skeptic of climate change, favors fossil fuels and other dispatchable power sources including nuclear generation.

Offtake News

ERCOT

- **Texas grid beats criticism of renewables** – Former President Trump claimed renewables destabilize grids, but ERCOT data shows marked reliability improvements. ERCOT forecasts a 0.30% blackout risk in August 2025—down from 12% in August 2024—and Texas residential rates remain about 24% below the national average. This is due to strategic battery storage deployment (now > 8 GW) and renewable integration

- **State action to boost grid resilience** – Following ERCOT's conservation notices and heat-driven demand surges, Texas Governor Greg Abbott urged the Public Utility Commission (PUC) to enact immediate measures to enhance grid reliability

- **Operational highlights** – Over the past week, ERCOT issued several alerts and operational updates. Notably, a sudden 550 MW generation loss occurred on July 6, and system failovers/tests were scheduled on July 9–10 with minimal customer impact

PJM

- **PJM grid strained by AI/data center demand** – PJM, which serves 67 million across 13 states, is facing mounting stress as data centers and AI workloads drive a sharp increase in electricity consumption. Capacity auction prices surged over 800%, passing elevated costs to consumers. With aging plants retiring and development sluggish, PJM added just 5 GW in 2024—far short of the projected 32 GW demand growth by 2030. Political and regulatory pressure has intensified: Pennsylvania's Governor Shapiro threatened to exit PJM, and PJM's CEO and board leadership are stepping down. Federal measures were required to keep some retiring plants online for summer reliability.

- **Capacity market woes prompt developer response** – Utility developers are pausing plant retirements and reviving mothballed units until market and regulatory clarity increases. Experts suggest PJM may need a seasonal capacity market structure, though the broad framework remains effective.

- **Heat wave boosts demand a few weeks ago** – PJM set multi-year electricity demand highs on June 23–24 during an Eastern U.S. heat wave, maxing out at 160,560 MW on June 23

METHODOLOGY

PEXA TRENDS

Market Trends provide an aggregated glimpse of the evolution of 10-year Pay as Produced (PAP) prices, based on a rolling average of the front- and second-year starting contracts. PPA Trends shown on PPA Times average country-level pricing movements, and regional ones (EURO Composite). The percentage values depict month-on-month changes of the respective country and regional trends in EUR/MWh. Hedging products of different volume structures (FHP, BLM and BLA) or tenors (and the respective risk discounts) are not included in the modelling of Trends. PPA Trends are recalculated daily using Pexapark's valuation models based on the forward curve.

The objective of Pexapark's PPA Trends family is to track the high-level evolution of the PPA pricing environment. Trends do not reflect actual transaction prices, and should not be used for benchmarking PPA prices, as they have been designed to provide a quick cross-sectional overview of price movements and not an absolute price level.

PPA TRACKER

The PPA Tracker includes agreements that meet certain criteria on the price risk and the tenor.

Price risk: We aim to record PPAs that have genuinely enabled the financing of new, subsidy-free capacity to come online. For this reason, Route-to-market (RTM) or balancing services PPAs do not make it to our database, even if they are concluded for long periods.

Tenor: Initial PPAs enabling new capacity to be financed are added regardless of tenor. PPAs linked to existing assets, such as post-subsidy PPAs, i.e. post-EEG in Germany enabling to keep alive projects that would go offline otherwise, need to have a tenor longer than 5-years. To this end, the vast majority of short-term PPAs linked to existing assets or contracted with utilities' volumes under management are not included in our analysis.

PPA Size Methodology: Whenever there's no information on contracted capacity in MW but the volumes in MWh, the location and the technology are disclosed, we add capacity estimates calculated through country- and technology specific capacity factors. The capacity factors we use are based on carefully picked sources, which are critically reviewed based on Pexapark's experience.

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Contributors & Editorial
Dominique Hischier
Jeremy Zelinger
Luca Pedretti
Maritina Kanellakopoulou
Sumon Vangchuay
Victoria Santos

Feedback & Suggestions
Maritina
— maritina.kanellakopoulou@pexapark.com

Write to us:
— info@pexapark.com

Advisory Services
Ann
— ann.cocquyt@pexapark.com

Marketing & Partnerships
Debbi
— debbi.bavin@pexapark.com

Events & Academy
Sumon
— sumon.vangchuay@pexapark.com

Sales
Tom
— tom.salley@pexapark.com

www.pexapark.com
info@pexapark.com

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