



Joint letter

Brussels, 9 July 2024

## Concerned corporate renewable energy buyers, producers, and energy transition leaders call for recognition of PPAs in the carbon footprint methodology for EV battery manufacturers

We call on EU Member States and the European Commission ahead of finalising the ‘Draft Delegated Act Batteries for electric vehicles – carbon footprint methodology’ to recognise power purchase agreements (PPAs) for reducing the carbon footprint of electricity used in battery manufacturing.

Corporates active during all life cycle stages of the Regulation must continue to be incentivised to sign renewable power purchase agreements (PPAs) combined with guarantees of origin (GOs), as well as equivalent schemes, to decarbonise their electricity supply, providing crucial investment into new renewable capacity. The Delegated Act must also not negatively impact existing PPAs which companies may be using to demonstrate energy decarbonisation.

The provisions of section 2.4.1 of the Delegated Act drafted by the Commission, concerning the accounting of electricity, risk undermining Europe’s growing PPA market. This is problematic given the importance of PPAs for Europe’s energy transition, in line with the recently adopted electricity market design reform, which emphasises the importance of PPAs as a corporate decarbonisation tool and route to market for new wind and solar power plants. The draft also risks inconsistency with existing carbon accounting methodologies by creating a parallel system and double reporting mechanisms. It is critical that double-counting is prevented.

We urgently call on the European Commission to correct the draft Delegated Act and allow corporates to be able to demonstrate energy decarbonisation via PPAs with GOs.

Signed,

