

**Portuguese Ministry of Environment and Energy**

*Ms. Rita Branco*

Chief of Cabinet of the Secretary of State for Energy

## Concerns regarding the establishment of a PPA registry and negotiations platform in Portugal

Brussels, 7<sup>th</sup> March 2025

Dear Ms. Branco,

Power Purchase Agreements (PPAs) are essential instruments for accelerating renewable energy deployment, enabling market participants to hedge risks, and mitigating the impact of short-term volatility. They contribute to price stability for consumers and ensure revenue predictability for investors.

In an understandable effort to promote PPAs in Portugal, Portaria nº 367/2024/1 of 31 December establishes the terms and conditions for the registration and negotiation of bilateral electricity contracts.

However, **we question the rationale and necessity of establishing a PPA Platform** under OMIP for the following reasons:

### 1. Compliance with EU law

The Portaria justifies the creation of a PPA platform based on Regulation (EU) 2024/1747. However, the Regulation only requires Member States to remove *"unjustified barriers and disproportionate or discriminatory procedures or charges and to promote the uptake of such agreements"*. The only reference to a potential (regulated) platform is in the context of a future assessment by the European Commission (June 2026), which will evaluate its feasibility and interaction with existing electricity market platforms. At this stage, **there is no EU mandate for national platforms.**

### 2. Duplicate Reporting Requirements

The proposed platform would require financing through a remuneration mechanism determined by the National Regulatory Authority (NRA). However, **market participants already report relevant information under REMIT** (for physical contracts) and EMIR (for financial contracts). Instead of imposing additional reporting burdens, OMIP should leverage existing data sources.

### 3. Addressing the Real Barriers to PPA Uptake

**The absence of a platform is not a primary barrier to PPA adoption.** Greater challenges include project financing, securing guarantees for long-term contracts (10+ years), managing risks over extended periods, and navigating national market design limitations. Addressing these structural issues would be far more effective in supporting PPAs than introducing a platform that could impose additional costs on market participants and regulators without clear or proven benefits.

We encourage the Ministry to duly consult the impacted stakeholders before implementing important regulatory changes (no public consultation was held on this piece of legislation) and we remain at the Ministry's disposal to discuss more effective pathways to promote PPAs in Portugal.