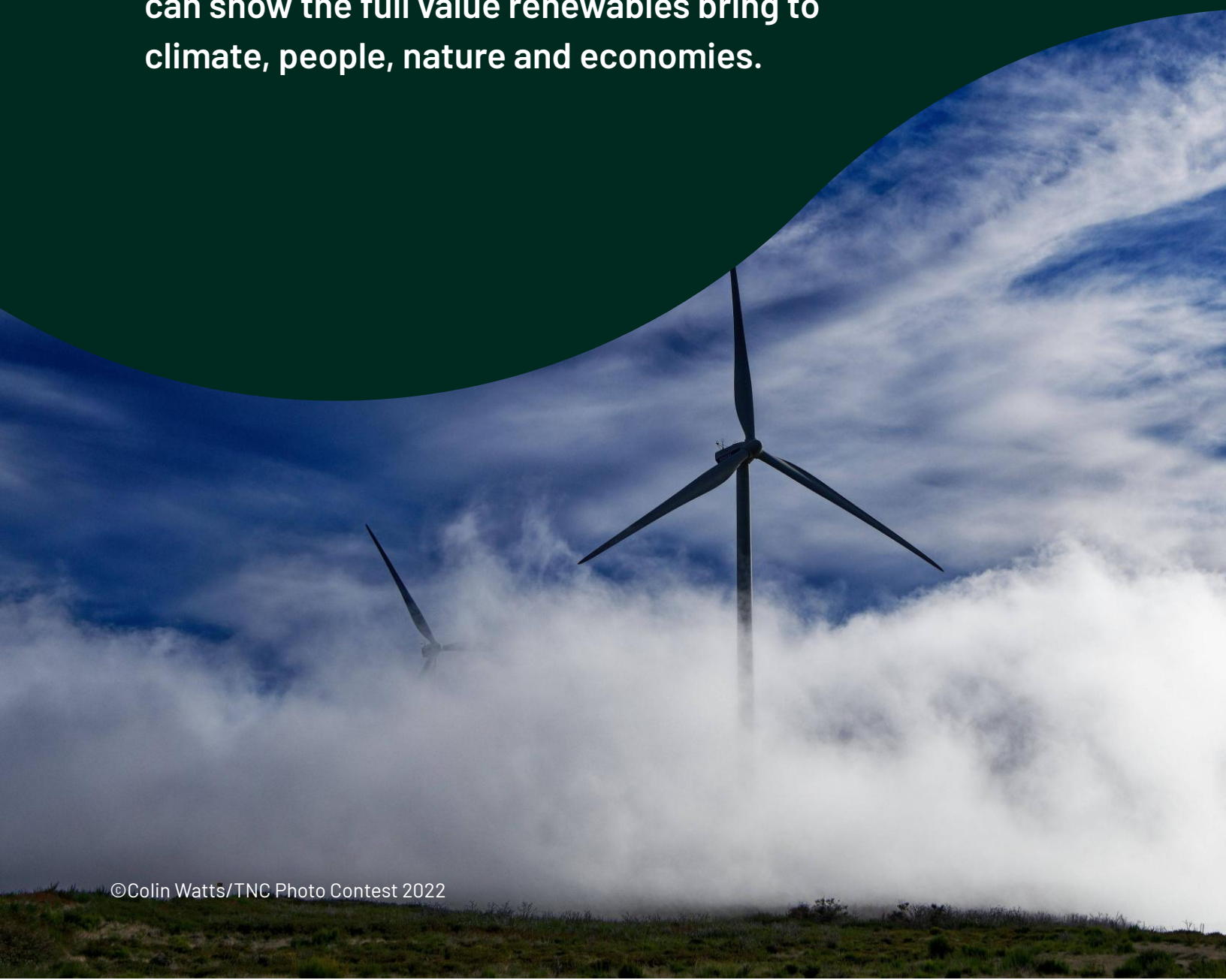
The Nature Conservancy

Beyond Price

How incorporating social and environmental standards in corporate renewable energy procurement can show the full value renewables bring to climate, people, nature and economies.



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Executive Summary

Corporate Power Purchase Agreements (PPAs) are a central mechanism to mobilising private capital for Europe's renewable energy transition.

To meet 2030 targets and secure a rapid, responsible scale up of solar and wind, PPAs must evolve from a price-first contract into a procurement tool that rewards projects delivering measurable environmental and social outcomes.

Currently renewable energy deployment in Europe is constrained by supply chain issues, grid bottlenecks, financing gaps and lengthy permitting timelines.

Uptake of impact-led procurement is further limited by opaque bilateral PPA negotiations, fragmented data, divergent regulatory regimes and weak incentives that fail to reward high-impact projects.

Embedding biodiversity and social impact criteria into PPA decision-making strengthens deliverability, reduces permitting and reputational risk and builds public trust, unlocking higher-quality, resilient renewables at scale, without necessarily adding a prohibitive price premium.

Now is a timely opportunity to mainstream impact-led procurement across corporate renewable energy buyers and developers as global market standards develop, and as European market signals and EU policy reforms are increasingly recognising non-price criteria.

Quality-led PPAs, backed by harmonised standards and clear policy signals, can turn corporate demand into a durable driver of nature-positive, community-centred renewable energy deployment and help Europe meet its 2030 ambitions more quickly and responsibly.

Continued engagement of stakeholders across Europe will be key to understanding perceived challenges, barriers, and enablers.

Through multi-stakeholder forums, these insights can inform the development of practical guidance that translates high-level principles into actionable PPA terms and market practices.

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Introduction

Corporate Power Purchase Agreements (PPAs) are now established as a powerful lever in Europe's energy transition – unlocking private capital, stabilising energy costs and accelerating the shift from fossil fuels to renewable energy. But to realise their full potential, PPAs must evolve beyond price-driven transactions to reward best-value projects that deliver environmental and social co-benefits necessary for a rapid and responsible energy transition.

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This paper focuses specifically on solar and wind, the dominant technologies in Europe's corporate PPA market and the backbone of responsible renewable energy deployment.

Integrating biodiversity and social impact criteria into corporate procurement decision-making can transform PPAs into tools for corporate responsibility. These criteria not only enhance outcomes for nature and communities, but also reduce project risks, improve deliverability, and build public trust, ultimately strengthening the long-term impact the transaction seeks.

By valuing factors beyond price, corporate buyers can foster a "race to the top" for the impact attributes all renewable energy procurements aim to deliver.

Aligning procurement with Environmental, Social and Governance (ESG) objectives, for example, Scope 2 Greenhouse Gas emissions or renewable energy procurement goals, can guide the market to ensure there is a rich supply of high-value, high-impact projects available for procurement.

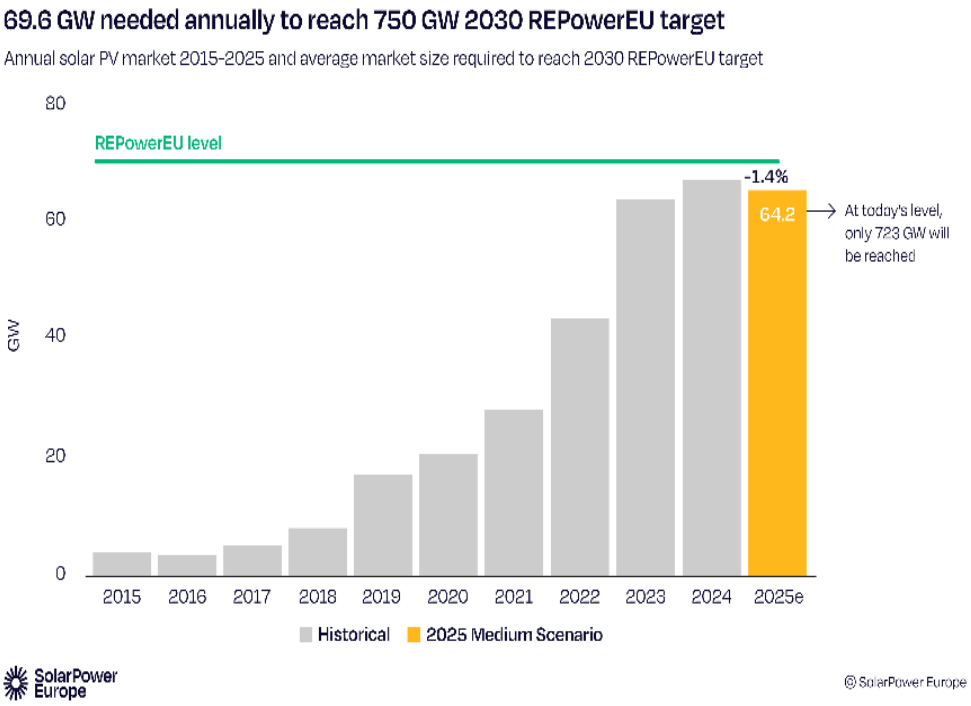
This short paper aims to support corporate buyers, developers and policymakers by highlighting challenges, identifying potential enablers and showcasing emerging best practices in responsible renewable procurement across Europe.

Barriers to Europe's 2030 Renewables Ambition

Europe's energy transition has advanced substantially to shift power systems from fossil fuels to renewables – with an ambitious 2030 target that aims for 45% of renewable energy.

However, deployment is not yet on pace to meet this target. WindEurope has cut its 2030 wind capacity forecast to 344 GW, well below the 425 GW target. And with solar installations poised to dip in 2025 for the first time in a decade, SolarPower Europe forecasts that Europe will miss its 2030 solar target if current deployment rates persist (see Figure 1).

Figure 1: *Europe solar market growth (SolarPower Europe 2025)*



Renewable energy deployment today is hampered by several challenges. Supply chain bottlenecks delay equipment delivery and project timelines, negative prices and low capture rates erode revenue certainty, grid connection constraints leave many projects queued for years, and financing gaps push developers toward higher-cost capital or stalled investment. Additionally, permitting delays, which this report focuses on, presents another critical barrier - further slowing capacity roll-out, driving up costs, and making schedules ever more uncertain.

Another concern is that scaling up renewable energy projects without proper ecological safeguards and community engagement threatens biodiversity, undermines community trust, and can lead to even further delays. In markets where renewables already make up a large share of power generation, social license is showing signs of weakening. Building social licence is integral to smooth permitting.

Community opposition now rivals grid connection constraints as a leading cause of project delays or cancellations. For example, onshore wind schemes in about one in five Dutch municipalities have been paused or scrapped amid local protests. When host communities' concerns, whether visual impact, noise, or uncertain local benefit, go unaddressed, developers face reputational damage, higher risk, and financial setbacks.

Figure 2: *Average permitting delays for renewable energies in Europe (edited from WEF,2024)*

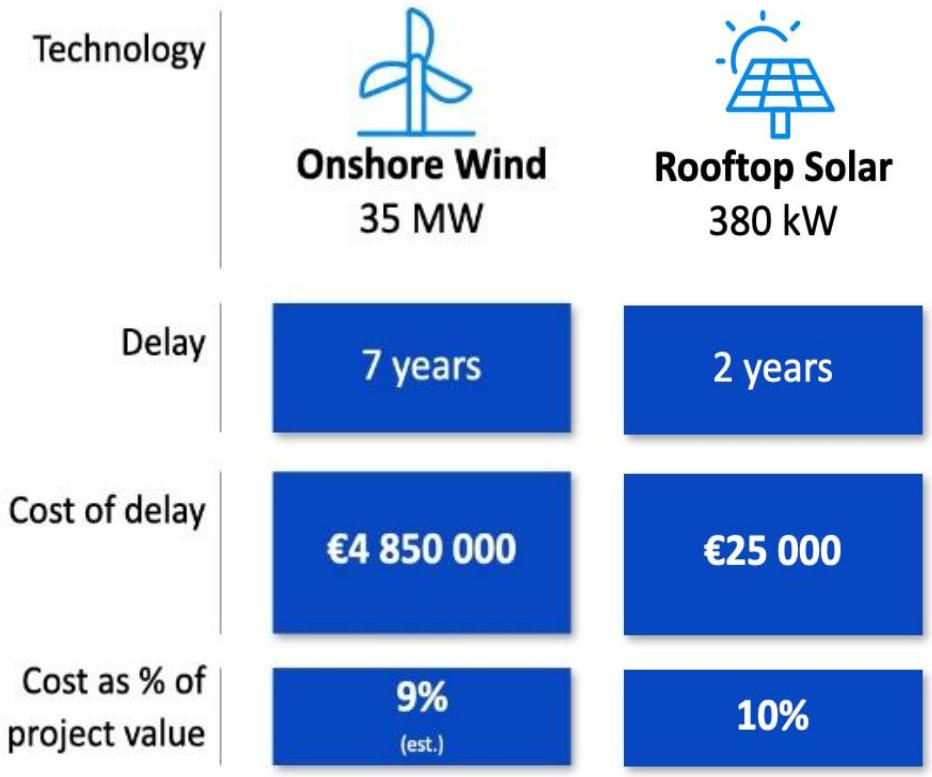


Figure 2 shows the average impact of permitting delays on onshore wind and rooftop solar projects. These lengthy timelines come at a cost for renewable projects developers, reaching up to 10% of the total project value. Additionally, permitting timelines for ground mounted solar PV in Europe exceed two years, stretching up to four years. Cutting through these bottlenecks with timely, responsible deployment will avoid the real financial and climate costs of permitting delays.

EU Policy Signals for Accelerating Renewable Deployment

The EU is unlocking new opportunities to bolster energy security by turning PPAs into powerful catalysts for renewable energy transition and bridging the financing gap. The reformed Electricity Market Design requires Member States to remove barriers to PPA signing, streamlining procedures, ensuring fair access, and offering guarantee schemes backed by public funds or the European Investment Bank (EIB) to reduce offtaker risk.

PPAs remain central to EU policy, with initiatives like the Clean Industrial Deal and Affordable Energy Action Plan aiming to stabilise energy prices and expand long-term contracts. By 2026, the Commission will issue guidance on combining PPAs with contracts for difference, alongside a €500 million EIB-backed pilot programme to support corporate PPAs, especially for Small and Medium-sized Enterprises and energy-intensive sectors.

Renewable energy auctions are increasingly use non-price criteria (NPCs) to deliver co-benefits like biodiversity and community impact. Under the Net-Zero Industry Act, Member States must apply NPCs to at least 30% of annual auctions, with biodiversity encouraged as a criterion. The EU is shifting from mitigation to net gain, embedding nature-positive infrastructure and local engagement into its energy agenda. The growing use of NPCs in renewable auctions can offer valuable lessons for negotiating PPAs. Just as governments are beginning to reward projects that deliver real benefits for nature and local communities, with an objective to derisk projects and increase competitiveness, similar NPC-based provisions can be integrated into PPA terms.

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From Corporate Renewable Demand to Durable Environmental and Community Benefits

Voluntary corporate renewable energy buyers have become a major driver of decarbonisation and through PPAs, a vital source of finance for newbuild renewables. In Europe alone, ~19GW of PPAs enabling new renewable capacity were signed in 2024, with 70% of this volume signed by corporates.

How corporates invest is as important as *how much* they invest. Corporate sustainability commitments must go further than purchasing green energy certificates, with procurement decisions reflecting broader ESG goals. Harnessing this demand to accelerate high-quality deployment requires shifting procurement beyond lowest-price logic, and synergising sustainability and procurement corporate policies.

Figure 3 *3C's (Climate, Conservation, Communities) TNC*

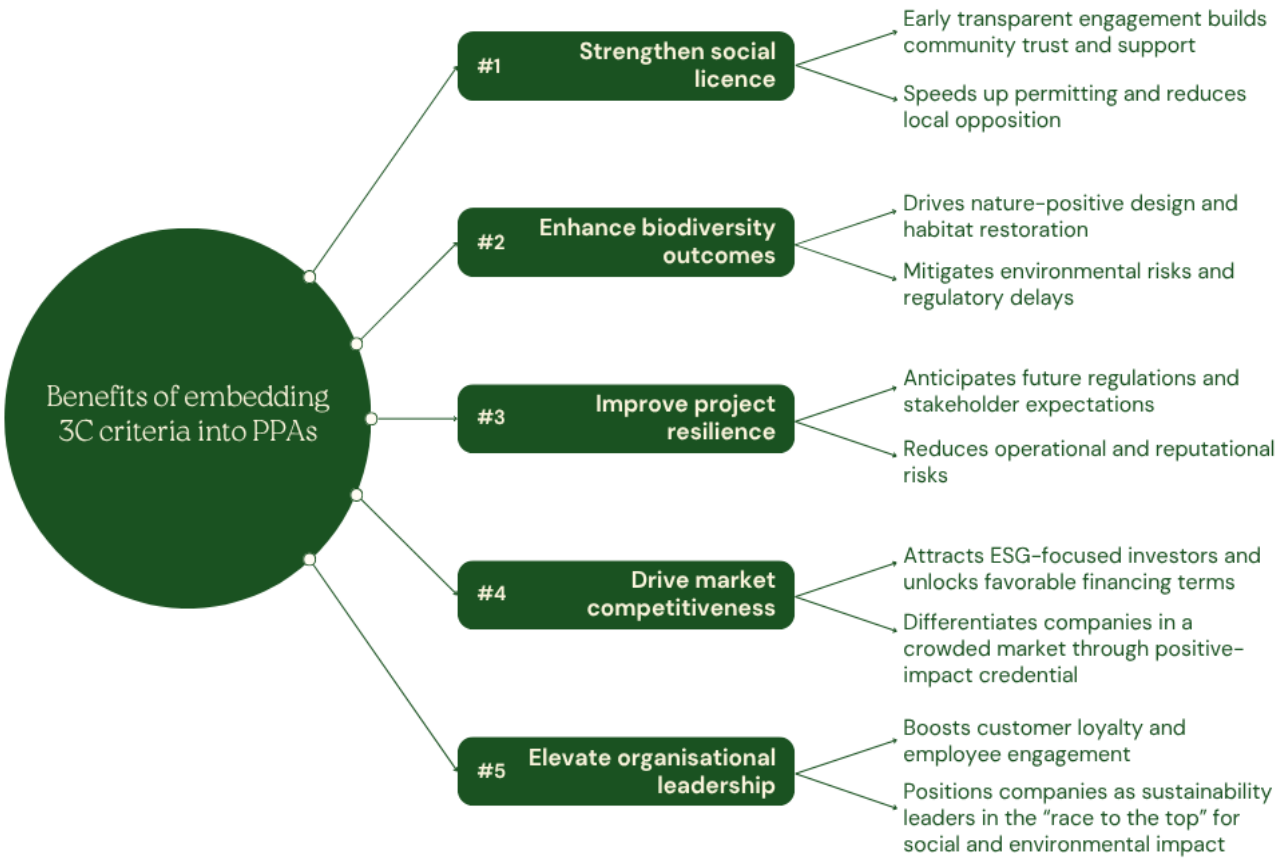
Following the lead of NPCs in renewable energy auctions, embedding biodiversity and social impact criteria that reflect the 3Cs (Climate, Conservation and Communities) attributes into PPAs, and other long-term contracts, can create market incentives for projects that protect biodiversity, engage and benefit host communities, strengthen social licence and future-proof contracts against evolving regulation. This shift not only rewards developers for robust environmental measures and proactive community outreach but also accelerates permitting, PPA signings, and overall deployment quality while bolstering brand reputation and stakeholder trust. See Figure 4 for further benefits of embedding 3C criteria into PPAs.

In 2023, The Nature Conservancy (TNC) and Rivian Automotive partnered to develop created an open-source toolkit designed to share learnings and help other buyers integrate 3C criteria into power purchase agreement. A subsequent study from the partnership showed how Rivian identified project options across procurement cycles that balanced risk and cost while embedding key 3C values. Notably, project pricing was only somewhat correlated with 3C impact scores: while some projects included a premium for specific co-benefits, many project offers had a breadth of 3C values incorporated at competitive market prices.

Over the last year, concerns around the increased frequency of negative prices coupled with low capture rates for solar and wind in some markets, have delayed demand for renewable procurement (particularly for very price sensitive buyers) turning most European countries into "buyer's markets". This puts developers in a competitive situation where price alone is not enough to differentiate their projects and additional impact criteria are a powerful means of standing out among the competition. Additionally, procurement focused solely on price risks a race to the bottom on environmental and social standards, increases the likelihood of public opposition and biodiversity harm, and ultimately slows the energy transition.

We need to go smart to go fast: quality led procurement, backed by clearer policy signals and harmonised standards, will be essential to deliver renewables at the speed and quality Europe needs.

Figure 4 *Benefits of 3C implementation in corporate PPAs*



Rising Corporate Adoption of 3C Attributes

As the demand to stand out above the generic ESG objectives, corporate renewable energy buyers are increasingly placing greater emphasis on responsible renewables.

Buyers and developers in the United States market are increasingly engaged with 3C values, where we are already seeing over 1.5GW worth of projects screened and transacted on in the last fiscal year using impact+ i.e. 3Cs.

Meanwhile in Europe, the traction in impact+ projects is more limited. At the same time, volatile price dynamics in European markets are eroding capture rates and threatening market stability. These headwinds, however, are fuelling a shift: 3C attributes are beginning to move from optional extras to a more mainstreamed expectation in renewable procurement.

Currently, a market standard, Renewable Energy for People and Planet Standard (REPPS) is being developed by a coalition of renewable energy stakeholders, aiming to ensure that renewable energy projects deliver meaningful social, environmental, and economic benefits for all stakeholders.

More than 30 organisations including buyers, developer, investor, NGOs, academic, trade, and environmental justice are actively engaged in evaluating, testing, and refining the standard. The aim is to produce clear, concise, market-informed, and community-aligned guidance for release in the market in 2026.

Supporting this shift, a 2023 US-based study conducted by Bain, TNC and CEBI, found that more than half of energy buyers already consider some non-commercial (3C) attributes, and over 60% expect 3C attributes to become a standard way of procuring clean energy 5 years from now. This shift reflects growing momentum towards a more inclusive procurement strategy.

The study identifies the main value drivers of 3C attributes for buyers, ranked by importance:

1. 3C attributes are in line with their broader corporate aspirations;
2. 3C attributes provide a good impact story;
3. Demand from customers, employees or the public;
4. Investor requirement;
5. Potential for tax benefits/other financial incentives;
6. Employee acquisition/retention;
7. Regulatory requirement

Incorporating impact criteria into PPAs empowers buyers to use procurement as a powerful lever for integrating biodiversity protections and fostering community engagement.

Embedding 3Cs in Corporate Renewable Energy Procurement

In practice, corporate buyers typically secure PPAs and green energy certificates to validate their sustainability commitments and satisfy accounting and verification standards, often aligned with frameworks like RE100. On top of these mandatory requirements, they layer voluntary impact criterion, to select projects beyond lowest-price logic. Developers respond by embedding nature-inclusive designs, benefit-sharing frameworks and robust social-licence strategies, beyond mandatory requirements within Environmental Impact Assessment and Appropriate Assessment under the Habitats directive.

Voluntary impact criteria span a vast range of metrics. Table 1 illustrates a non-exhaustive set that buyers can tailor to their specific strategies, noting that these are not specific to the European context.

When assessing energy buyers and developers interests, the 2023 Bain, TNC and CEBI study found the attributes most commonly evaluated are:

- Wildlife and habitat impact
- Environmental impact of upstream supply chain
- Carbon footprint
- Operational resiliency
- Long-term viability of new projects
- Supply chain risks
- Workforce standards
- Local/diverse labour
- Local community impact

Table 1: *3C attributes (edited from Bain, CEBI, TNC)*

Climate, Conservation & Sustainability	Community Engagement & Social Equity
Wildlife & habitat impact	Ongoing talent development
Impact on local agriculture	Impact on tribal lands or other culturally sensitive areas
Environmental impact of the upstream supply chain	Impact on historically disadvantaged communities
Project site carbon footprint impact	Impact on local community
End-of-life recycling and disposal	Utilizing local and/or diverse suppliers
Return land to its original or alternative use at end of life	Workforce standards & usage of local, diverse labour
Carbon intensity of backup generation	Humanitarian impact of the upstream supply chain

Why the 3C gap persists in Europe

Rapid policy and market debates across Europe have produced high-level principles but limited practical guidance specifically for the renewable energy industry, resulting in a 3C implementation gap in Europe.

These frameworks aim to guide and accelerate responsible climate action across different contexts and for renewable energy markets fall into three primary buckets. Carbon accounting standards, like the Greenhouse Gas Protocol, help ensure transparency and credibility in emissions reduction claims. ESG principles, such as the IFC Performance Standards and Free, Prior, and Informed Consent, focus on safeguarding communities and ecosystems during project development, particularly in emerging markets.

Meanwhile, sector-specific goal-setting frameworks like the Science-Based Targets Initiative and Climate-related Nature Financial Disclosures steer companies to shift global financial flows towards nature-positive outcomes. However, none of these standards provide companies with straightforward, actionable pathways to translate those principles into contract terms, project design, and operational practices that can deliver 3C projects. PPAs are inherently opaque, confidential bilateral agreements whose bespoke negotiation and complex contracting processes make it challenging to establish a 3C market-wide standard.

Additionally, a common misconception that complying with EU and national regulations is enough to ensure meaningful impact. While these frameworks are essential for guiding responsible development, achieving meaningful outcomes often requires going beyond compliance.

With 3C-aligned projects still nascent in Europe, the perceived challenges are beginning to emerge; insights from the TNC and RE-Source workshop at the RE-Source 2024 annual conference surfaced several additional ones (see Table 2).

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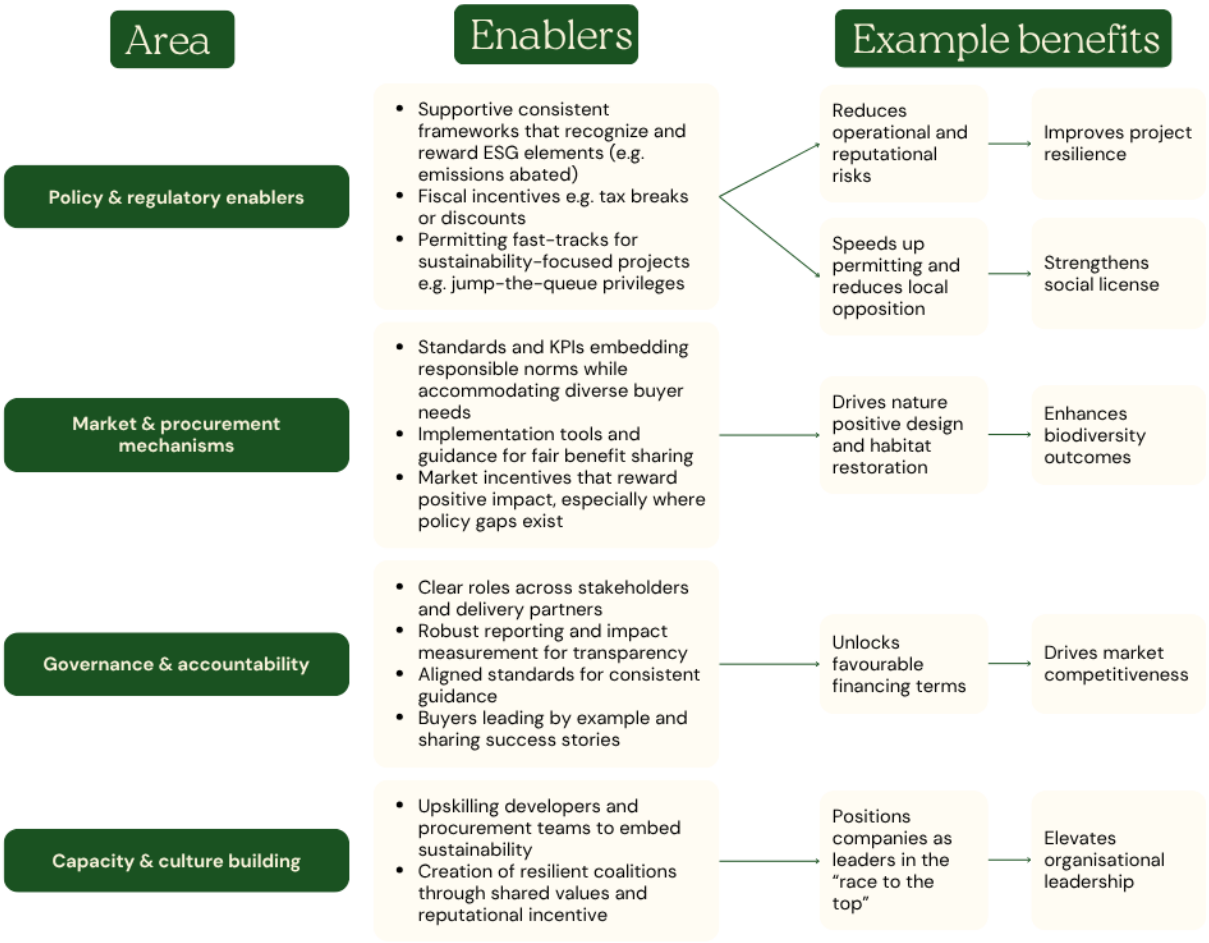
Table 2 *Perceived challenges with embedding 3Cs into PPAs*

Perceived Challenge	Suggested Barriers
Cost and complexity	PPA negotiations are already lengthy and uncertain with fewer than half of deals that begin negotiations reaching signature each year. Layering on impact criteria without a harmonised framework can heighten transaction risk and upfront expenses (e.g. for restoration, offsets, compliance) and exposes the disconnect between financial returns and environmental benefits.
Divergent regulatory constraints	Developers operate under varied permitting rules, impact assessment requirements, and other obligations, reducing flexibility to adopt common 3C approaches.
Regulatory risk and reporting burdens	Evolving regulatory expectations and added reporting requirements increase perceived regulatory risk and administrative burden for buyers and developers.
No common market definition for 3C quality	Beyond legal and standards minimums, there is no widely accepted market or policy instrument that defines what a high-quality 3C project looks like in Europe.
Lack of consistent rewards for extra effort	There are few market or policy mechanisms that reliably compensate developers for the additional work required to meet corporate procurement standards for the 3Cs; existing EU requirements are not consistently incentivised across Member States.
Data and scientific gaps for impact measurement	Fragmented biodiversity data and the lack of a central repository leave companies without the consolidated evidence needed to assess environmental outcomes or trace impacts across complex supply chains.
Strategic and organisational inertia	Lack of clear KPIs and sustainability frameworks, limited in-house expertise and leadership commitment and the perception that 3C-aligned procurement is only possible for advanced buyers.

Bridging the Gap – From High Level Principles to Practical PPAs

Recent market conversations have begun to identify a set of emerging enablers, which are grouped into thematic areas in Figure 5. While not exhaustive or prescriptive, these enablers are mapped against the benefits outlined earlier in the report, illustrating what embedding the 3Cs into PPAs can unlock. When strengthened these elements can become strategic drivers of Europe's equitable, resilient, and nature-positive energy transition. Realising their potential in practice will require continued constructive dialogue between buyers, sellers, and NGOs to shape a shared, actionable agenda for the European market.

Figure 5 *Key enablers and example benefits for embedding 3Cs into PPAs*



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