BUSINESS RENEWABLES CENTRE AUSTRALIA

Join us at All Energy Conference & Exhibition 2026 for:

All Energy AUSTRALIA

All Energy Conference 2026

State of the PPA Market 2026: Large energy users & market trends

Thursday 29th October | Melbourne Conference & Exhibition Centre | 3:30 - 5:00pm | Room 219

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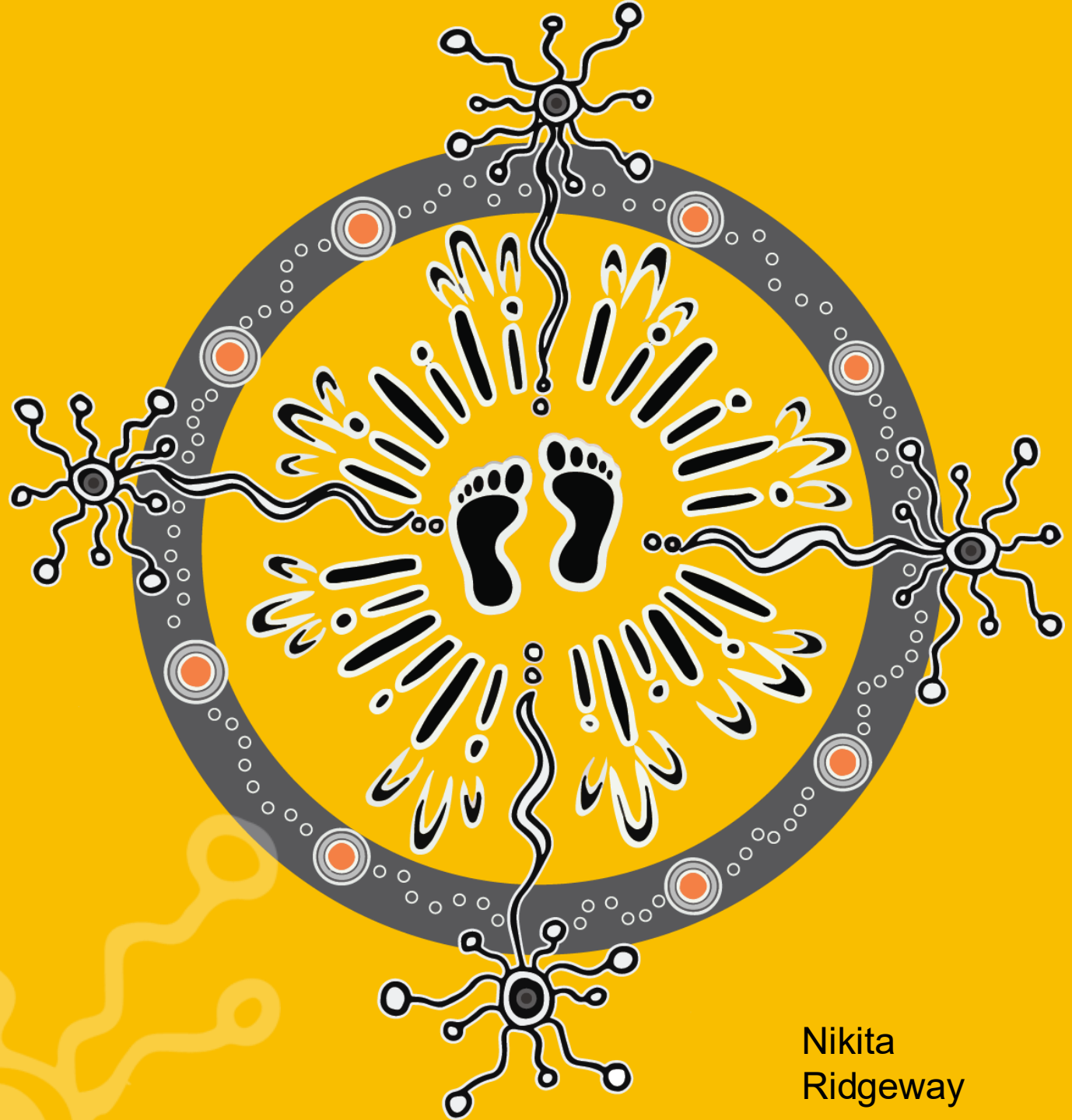
Acknowledgement of Country

We acknowledge that today we meet on many Aboriginal lands.

We acknowledge the traditional custodians of the lands on which we meet today, the **Wurundjeri people**, part of the **Kulin Nation**, and we show our respect for elders past, present and emerging through thoughtful and collaborative approaches to our work.



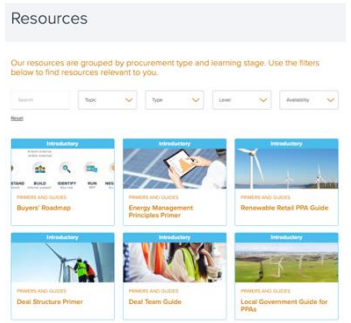
Nikita Ridgeway

About Business Renewables Centre Australia

Business Renewables Centre-Australia provides independent training, connection and fundamental ‘how to’ resources to companies seeking to decarbonise their business through renewable energy procurement, especially via PPAs. We have been helping industry to better understand buying options, Australian energy markets and policy since 2018.

We are a member-led, not-for-profit community of business. We train and support corporate and government energy buyers, project developers and professional service providers seeking to driving industry towards sustainable energy use and net zero emissions.

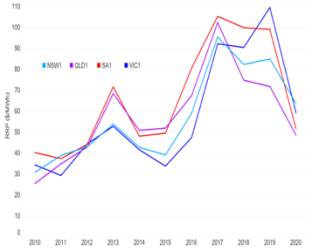
Training



Templates & Guides

Connection

Consultant lists



Markets & policy

To find out more visit: www.businessrenewables.org.au

What's happening at BRC-A

Launching today!

- State of the PPA Market Report 2026, BRC-A (preliminary).
- Full report releasing in Jan/Feb 2027.

Data centres!

- Currently working on guidance and support with two state governments – releasing soon.

Upcoming in 2027

- PPA Training Bootcamp Melbourne - H1.
- A new Program flaunching today or large industrial buyers – more on this later…

Source: BRC-A PPA Training Bootcamp Workshop October 2023, Melbourne.

BUSINESS RENEWABLES CENTRE AUSTRALIA

State of the PPA Market Report (preliminary) 2026

Day 2: Thursday 29th October 2026

01

State of the Corporate PPA Market Report 2026 - Highlights

Dr Chris Briggs

Research Director & Program Lead – Energy Futures,
Institute for Sustainable Futures

Technical Director, BRC-A

About our State of the Australian Corporate PPA Market Report 2026

Since 2019, BRC-A has produced an annual State of the Market (SOM) Report to:

- Profile the Australian Corporate PPA market.
- Highlight key issues and perspectives amongst PPA buyers and sellers.
- Identify key and emerging trends shaping PPA market.

Our SOM Report 2026 is based on:

- Industry survey of renewable energy PPA market participants (buyers, service providers, retailers and developers).
- BRC-A PPA database: overview of market trends and statistics.
- Stakeholder input.

Overview: Australian Corporate PPA Market in 2026

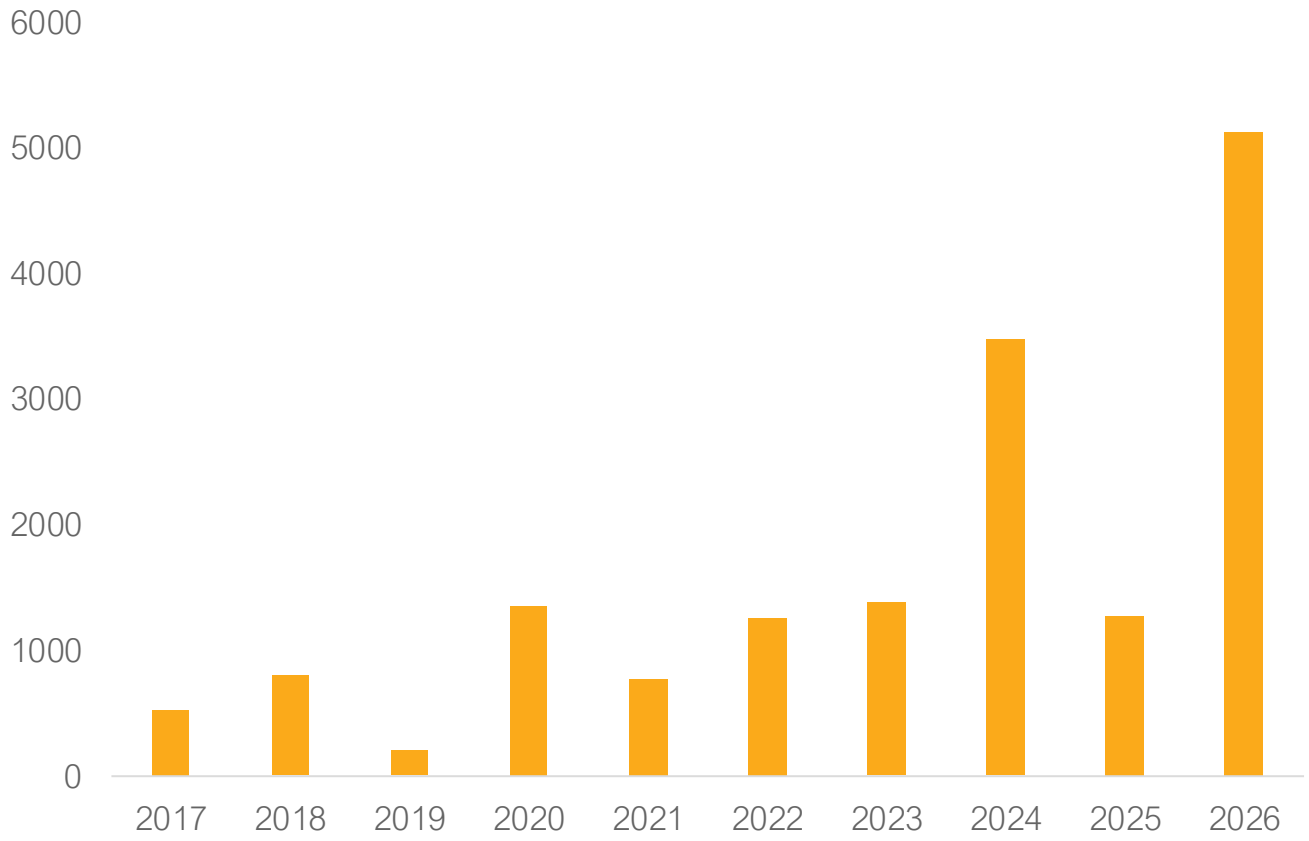
Market features

- ‘Tall but narrow’: record deal volumes headlined by very large PPAs in resources and data centres but little deal-making elsewhere.
- Patchy market based on annual survey with almost equal numbers of participants seeing more, less and same activity.
- Significant government involvement – Tomago SPV, some CIS projects reaching FID, NSW Transport purchase.
- The era of firmed renewables has started – most PPAs integrated storage and renewables for first time, 1st corporate battery offtake.
- Some innovative PPAs – first deal with a First Nations owned solar farm, portfolio PPA with a data centre.

Drivers & trends

- Similar dynamics hanging over market as last few years: market uncertainty, gap in price expectations between buyers and sellers and projects in higher price environment.
- Big policy changes on the horizon: CIS and REZs still struggling to build momentum – but new energy obligation for data centres and the Electricity Services Entry Mechanism coming. Mixed views in market survey on potential impact.
- Difficult choice for buyers: contract now or wait for new supply from renewables and batteries hoping for lower prices – but risk exposure to price shock and demand surge as 2030 approaches?
- Ultra-low LGC prices likely to continue in 2027 but there could be volatility in the contracting environment and price spikes in transition to new system in 2030.

Record year for deal volumes



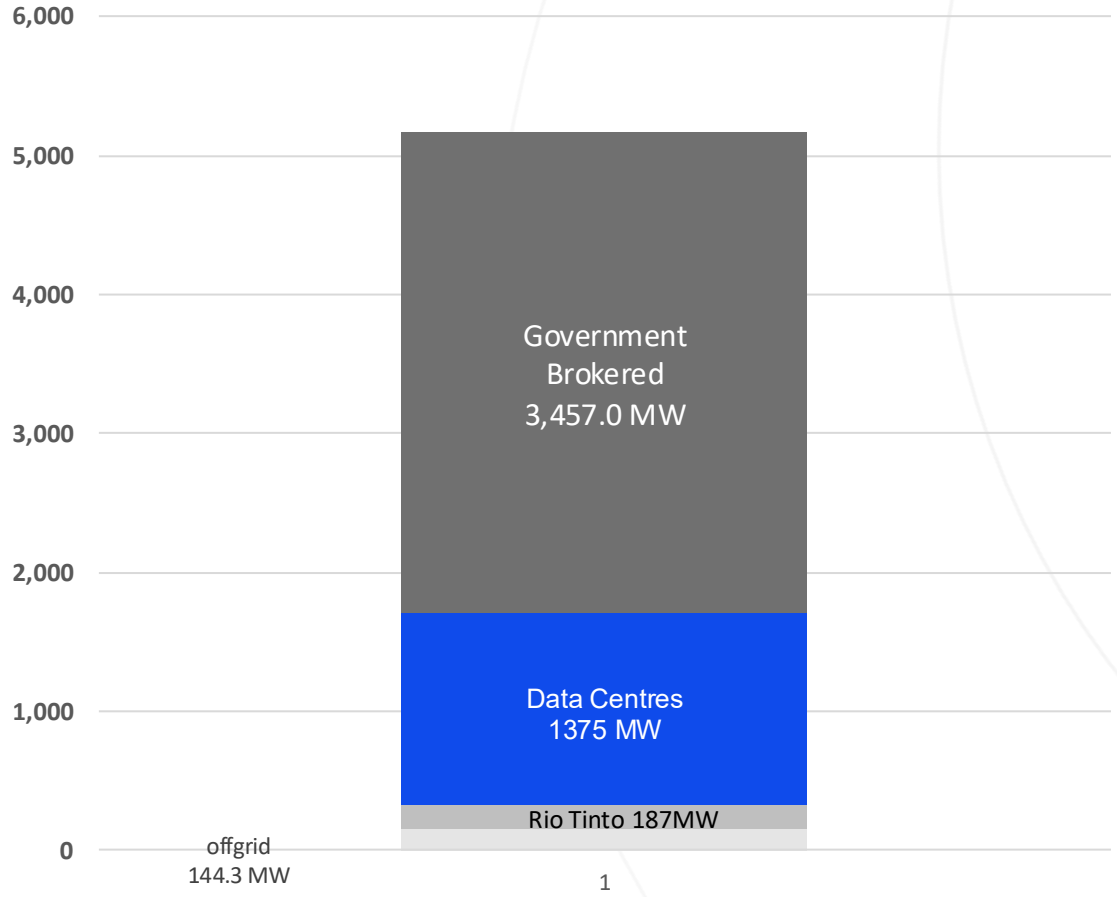
Note: Figures are up to date as of October 2026. The database is based primarily on publicly available information and therefore does not include all PPAs.

Key deals

- 3GW portfolio agreement of firmed renewables and storage negotiated through special purpose vehicle with Tomago.
- Transport NSW PPA for all operations (~450MW).
- Rio Tinto signed 2 PPAs.
- Amazon signed 9 PPAs including battery storage.
- Firmus and Guvnor signed an innovative portfolio PPA to support the build-out of a data centre park.
- Handful of smaller PPAs – AFL, Soilco/Flow.

‘Tall but narrow’: The 2026 Corporate PPA Market

Corporate PPAs executed (MW) in 2026



The 2026 corporate PPA market has been ‘tall but narrow’:

- Government brokered PPAs are the largest segment – Tomago, NSW Transport.
- Data centres are the second largest segment.
- Rio Tinto signed 2 PPAs (1 included a CIS award).
- There were several off-grid mining PPAs.
- Outside data centres and Rio Tinto, there was very little deal-making elsewhere in the economy without government involvement.

Innovative PPAs in 2026: Firmus & Gunvor

A portfolio PPA combines new renewables and storage with flexible demand for development of Firmus' planned AI Factory campuses in South Australia.

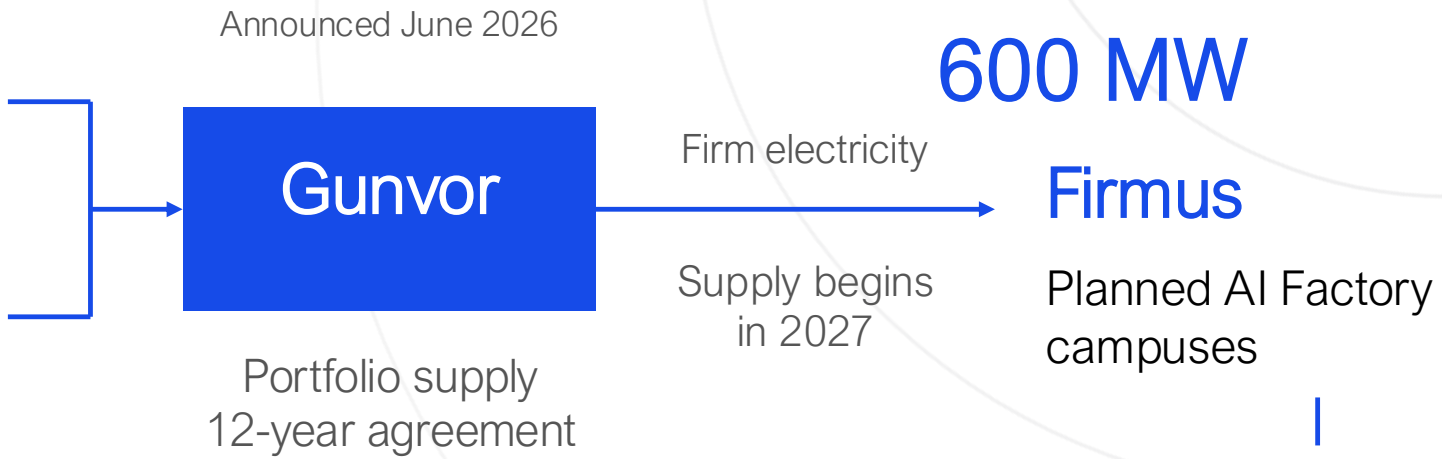
New capacity by 2032

1.2 GW renewables

Gunvor commits to underwrite development

1.5 GWh storage

Supported by the agreement



Koolunga BESS: 200 MW / 800 MWh

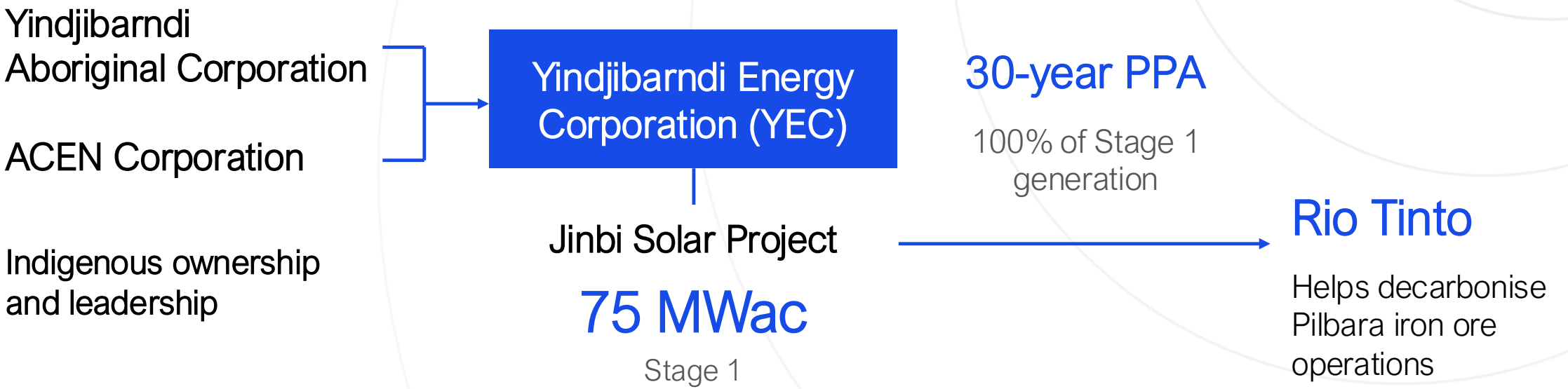
Grid-forming storage. Expected to meet over half the initial firming need. Operations targeted for Q1 2028.

Flexible demand

Up to 220 hours a year of reduced consumption when prices exceed agreed thresholds.

Innovative PPAs in 2026: Rio Tinto & Yindjibarndi Energy Corporation

A long-term corporate PPA supporting an Indigenous-led solar farm on Yindjibarndi Country in the Pilbara.



Expansion option: 150 MWac plus battery storage, subject to approvals and future development decisions.

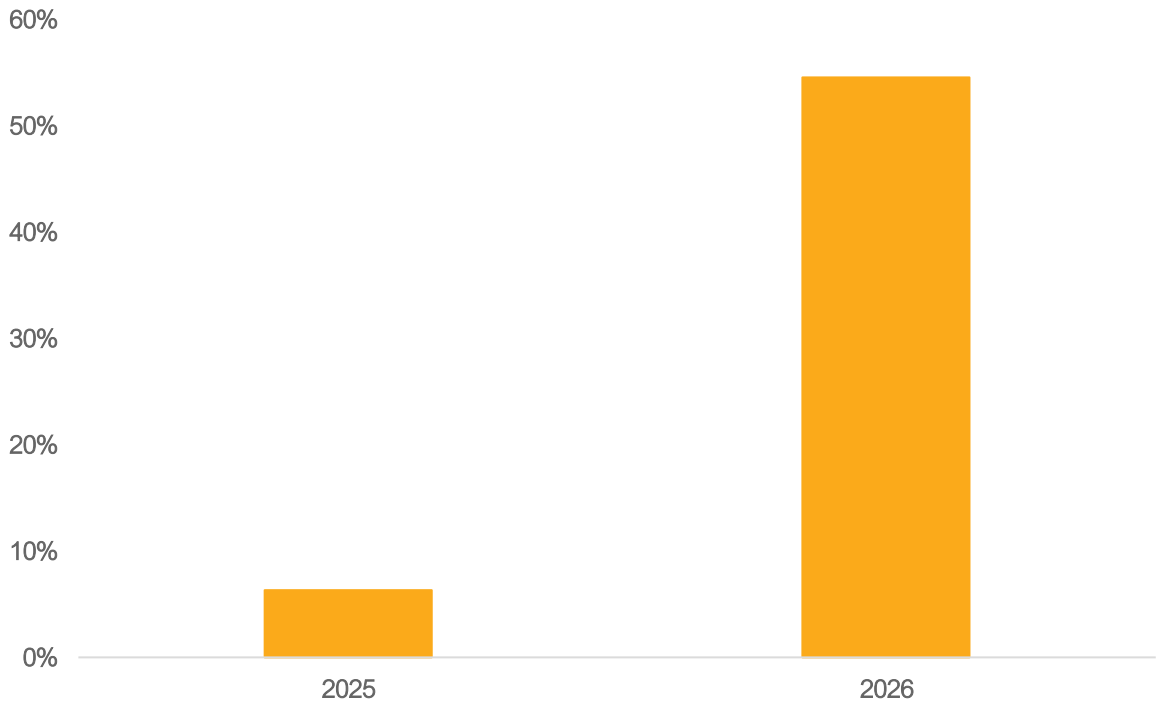
May 2026: financial close

Construction has commenced

Mid-2028: expected operations

30-year PPA supply period begins

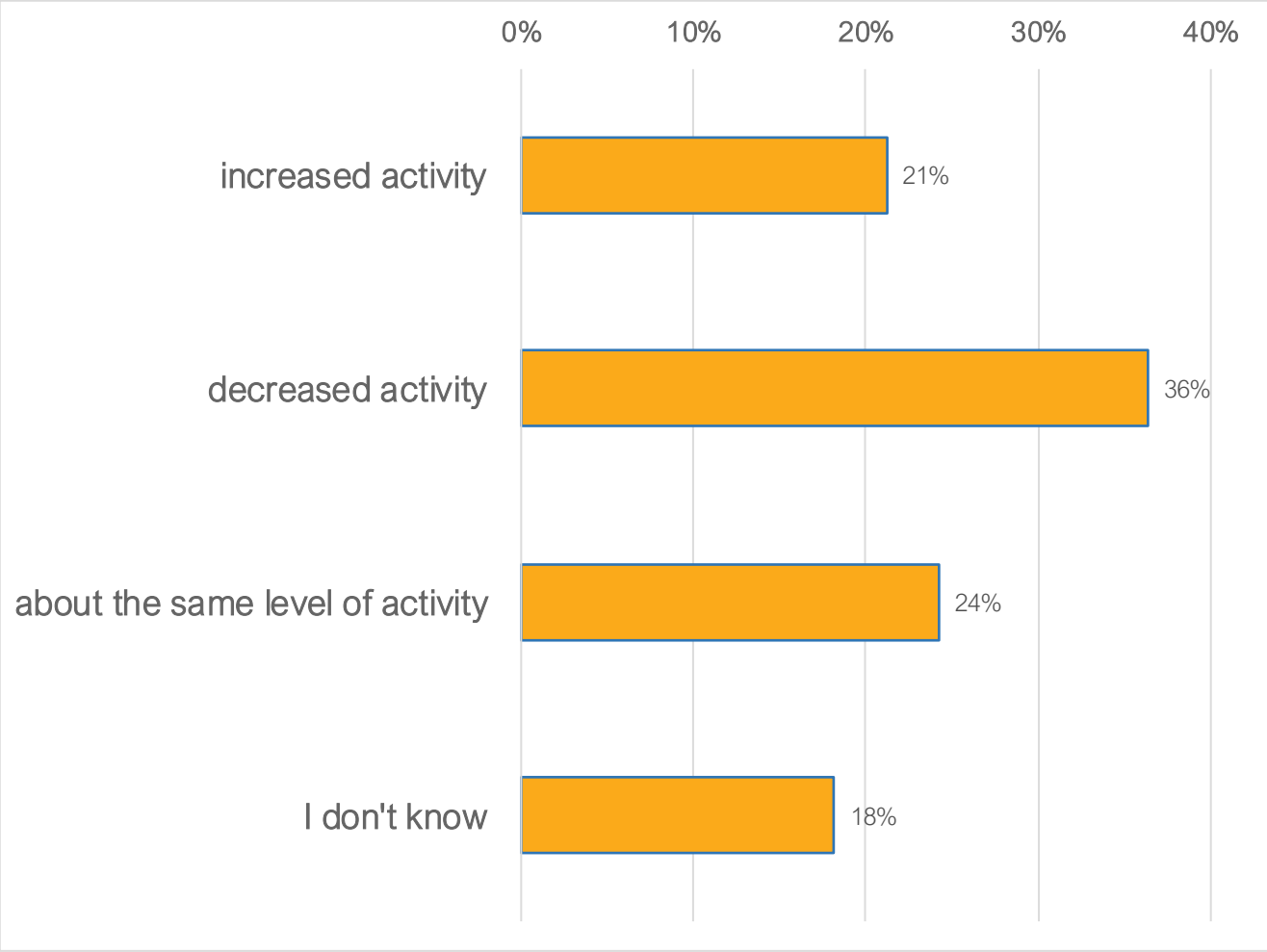
The era of firmed renewable energy has begun – 2026 is the first year that the majority of PPAs included battery storage



Percentage of PPAs that include an offtake for battery storage

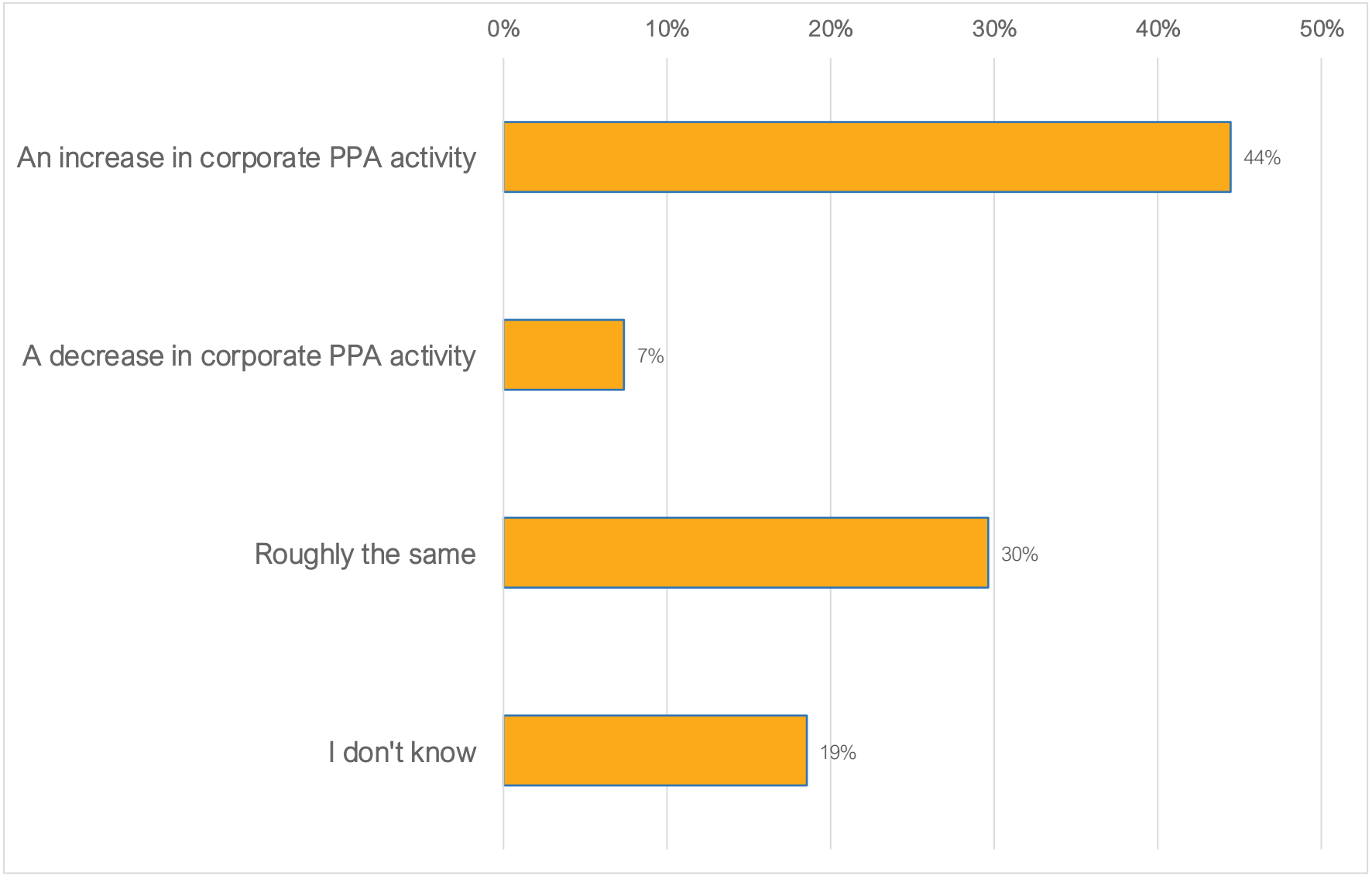
- Boom in utility-scale battery storage now being reflected in PPAs – standard pairing of solar and battery.
- First corporate battery-only offtake (Amazon).
- Shift towards portfolio approaches combining assets (and other instruments) to provide integrated solutions to shaping and firming.
- Will vanilla run-of-plant PPAs now be the minority?

Mixed views from survey participants on market in 2026

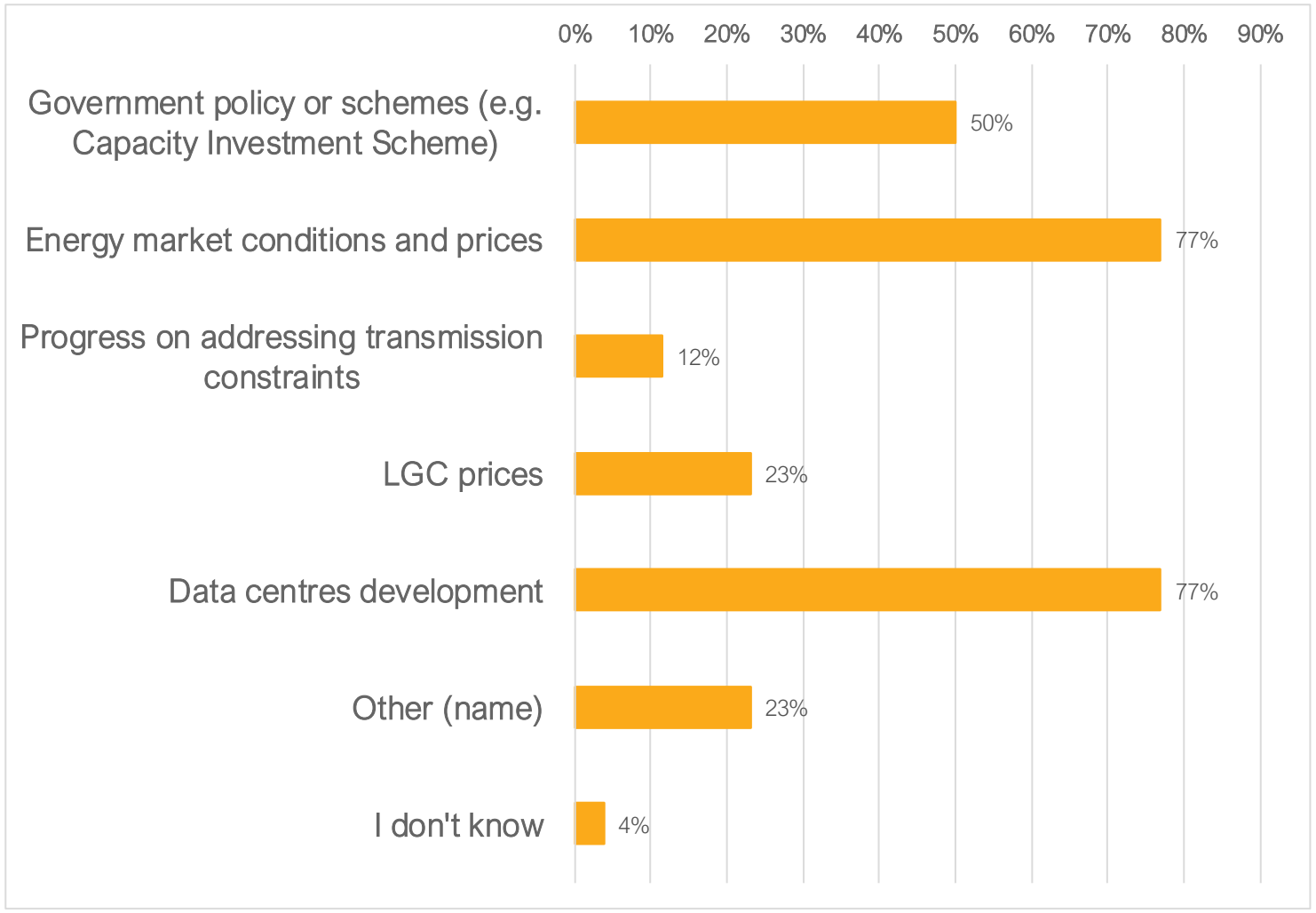


- Participants that reported increased activity mostly attributed it to:
  - Data centre activity.
  - Short-term contracts driven by low LGC prices.
- Participants that reported lower activity attributed it to:
  - Various types of regulatory uncertainty.
  - High prices of PPAs relative to wholesale prices and forward curve.

Cautious optimism from market participants on prospects for next year

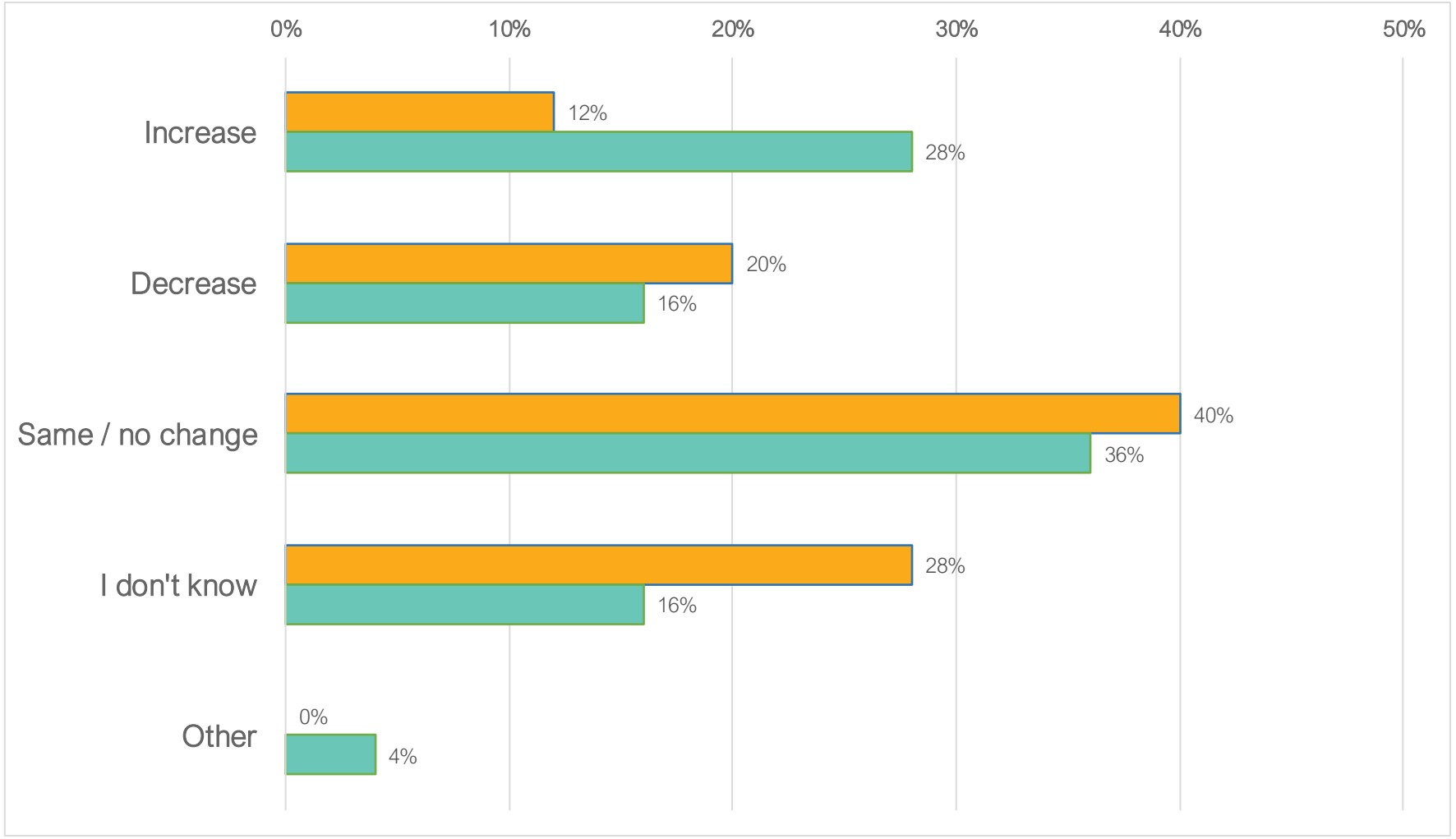


Data centres and energy market conditions are considered the key factors followed by government policy



- Data centres have emerged as a key factor on market size
- Energy market conditions continue to shape likely buyer demand
- Policy developments are at an important juncture:
  - On-going delivery of the Capacity Investment Scheme and Renewable Energy Zones in eastern states
  - Development of national energy obligations for data centres
  - Development of the Electricity Service Entry Mechanism – fungible, tradable contracts for bulk renewable energy, shaping and firming

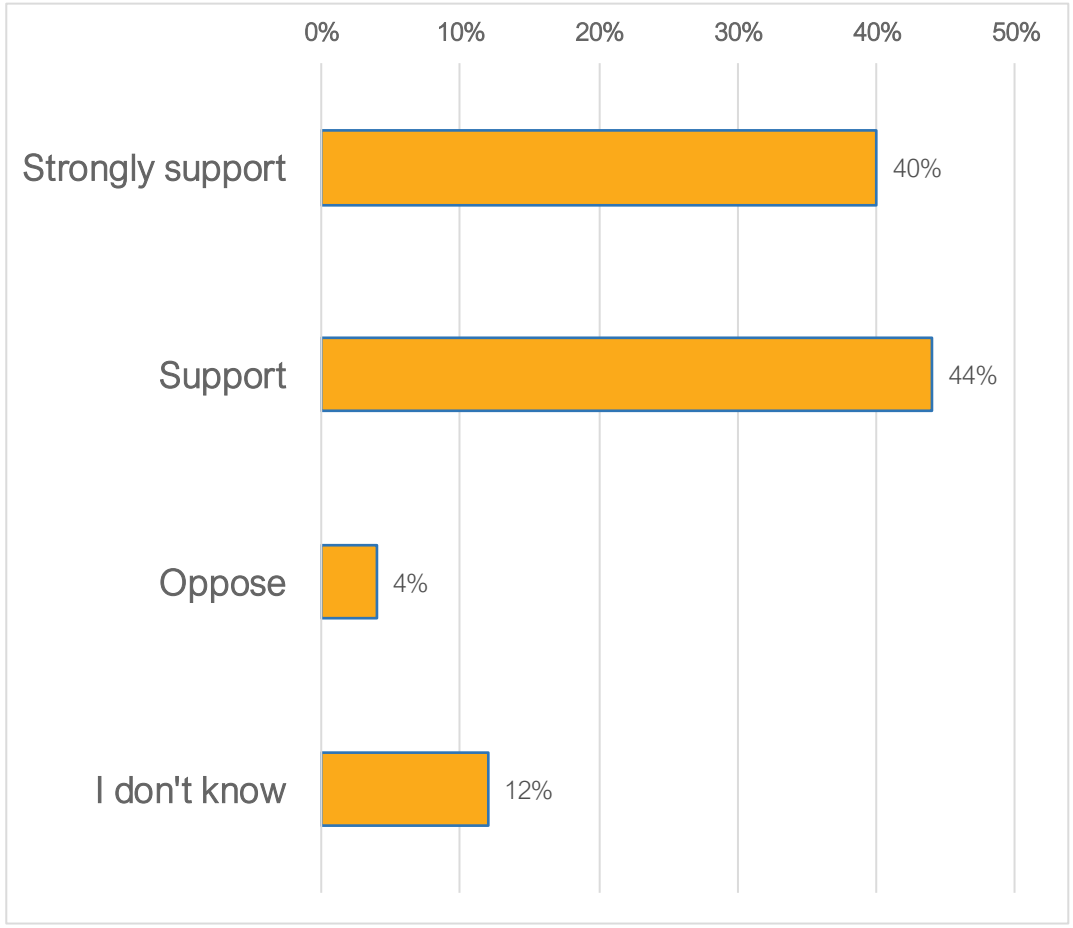
Lower expectations for the CIS and REZs for next year than past surveys



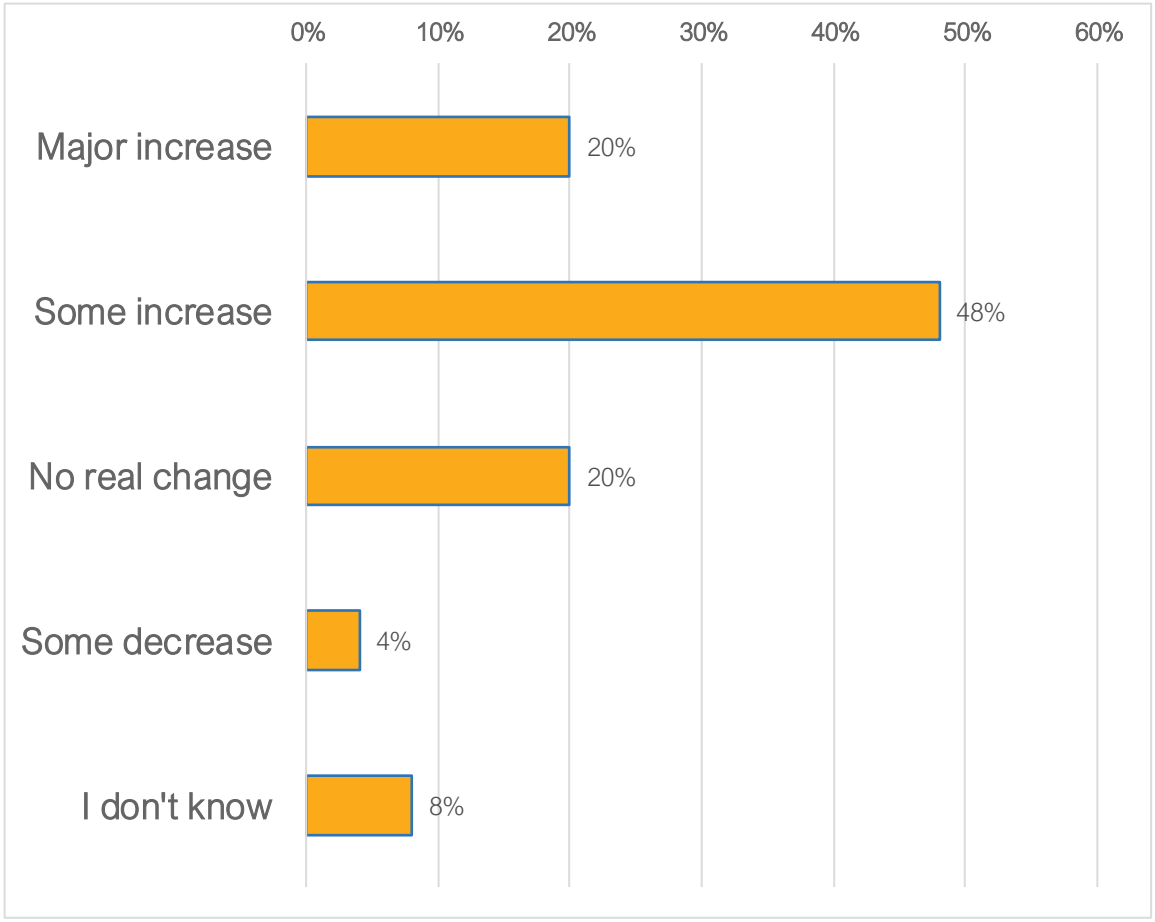
Question:
What impact will the CIS and REZs have on corporate PPA activity next year?

Note: Green = REZ; Orange = Capacity Investment Scheme

Strong support for data centre rules - most expect they will increase corporate PPA activity

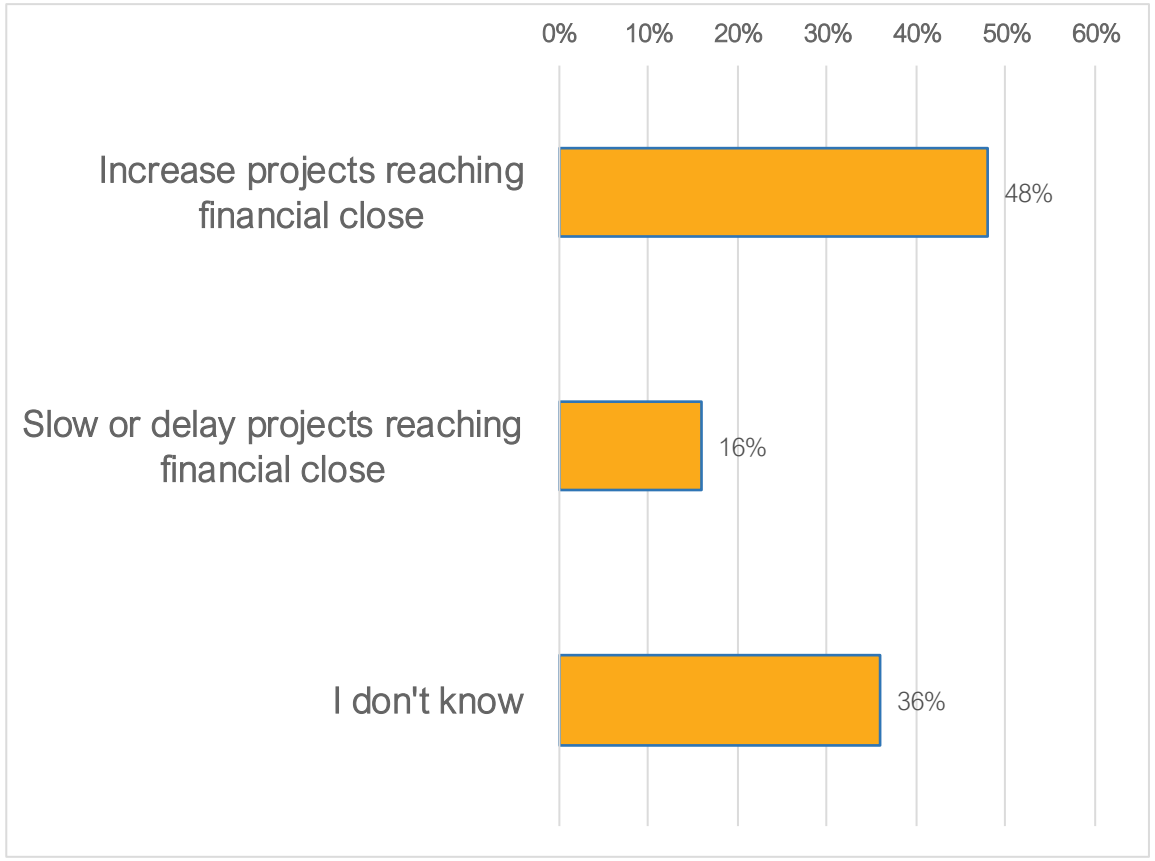


Question: Do you support the new proposed rules for data centres to buy RE?



Question: What impact do you think the new proposed rules for data centres to buy RE will have for corporate PPAs?

Around half of respondents expect ESEMs to increase activity – but quite high level of uncertainty

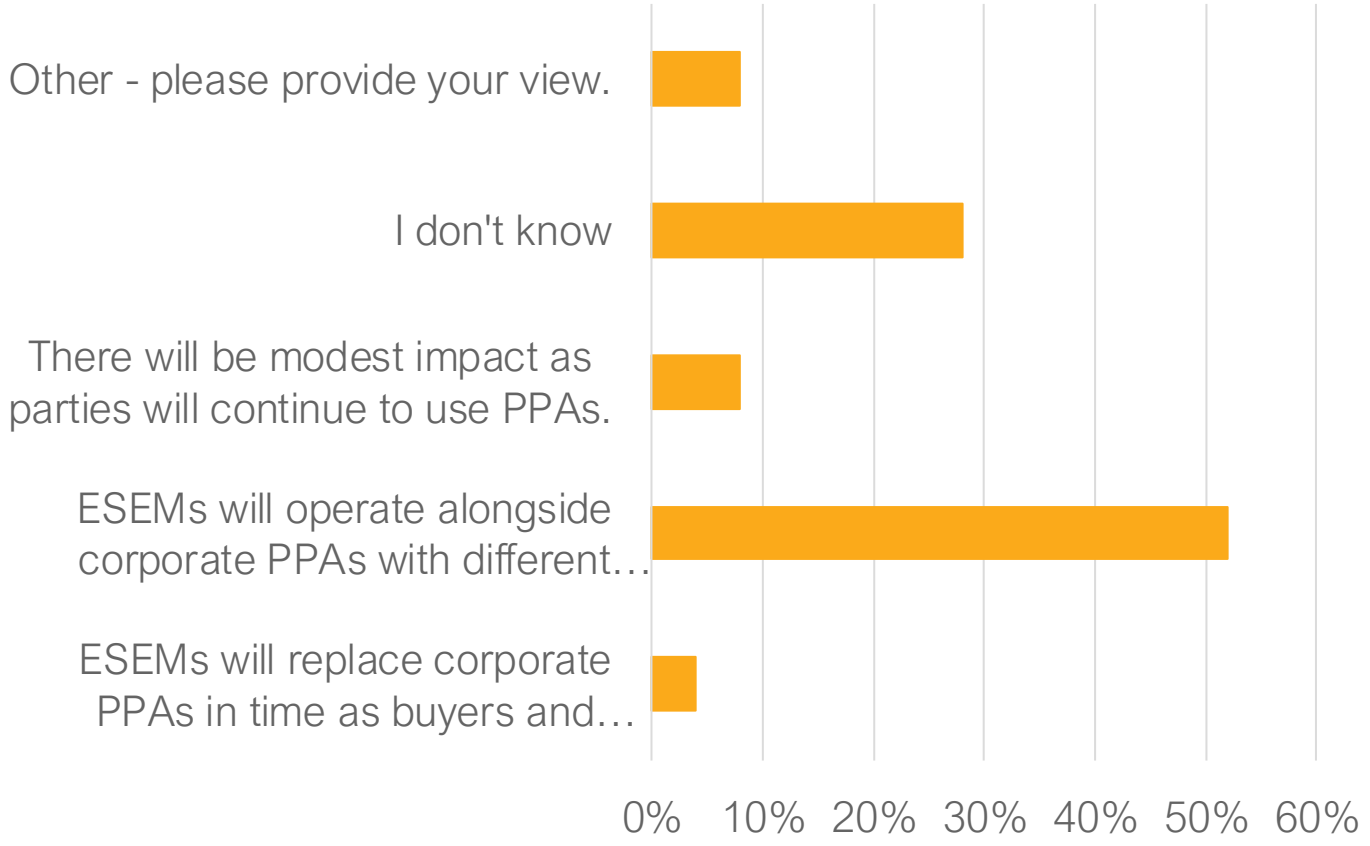


"The ESEM will provide another option for developers to bring their project to market, one which corporate buyers and retailers are more likely to favour due to more balanced apportionment of risk."

"The contracts are higher risk for developers compared to traditional PPAs and the scheme is likely to make buyers nervous prior to inception … downside for buyers moving early is too high, and developers are likely to struggle to achieve financial close with contracts that put a lot of risk on them unless pricing is significantly higher than a bilateral contact (reflecting additional risk).

If developers don't realise this we may end up in a similar situation to the CIS where projects struggle to achieve financial close on the back of the contract."

Most participants expect ESEMs and PPAs to co-exist – but again there is uncertainty



"Horses for Courses, Data Centres may benefit form ESEM or corporate PPAs. ESEM should enable the more active selling of shorter term PPAs to smaller customers with lower market risk.."

"ESEMs will likely replace a significant proportion of the wholesale PPA market (corporate and utility), but they will not replace retail PPAs. Instead, retail PPAs are more likely to be underpinned by ESEM contracts rather than wholesale PPAs.."

Summary

Similar dynamics to recent years

- Large body of projects in market seeking offtake.
- Amidst market uncertainties (e.g. coal closure timing), buyers with 2030 targets have still been holding off contracting.
- Market mostly constituted by big players (resource companies, data centres) and small-scale LGC activity.

The future market is taking shape

- Innovations in PPAs emerging – the integration of battery storage, portfolios of assets, models for data centres and new sellers (traders) and buyers (First Nations).
- Major policy changes in train – data centre rules, ESEM, end of RET and REGOs in 2030.
- Risks and pressures for buyers uncontracted for 2030 targets growing – competition from other buyers, notably data centres.

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Thank you.

businessrenewables.org.au

Today we are announcing The Next Gen PPAs Program to 2030

Working together to reduce energy costs & emissions further via renewable energy contracts that integrate energy management. Group negotiated, individual contracts. Large industrials can now participate in this new program that will deliver:

NEXT GEN PPAs

Renewable energy contracts that integrate energy management options for large industrials

3 + 3

facilitated industrial energy buyers' groups*

Up to 80%

energy & legal advisory costs funded

Up to 5.5 million tonnes

emissions reductions

Up to $6 billion

investment in renewable energy projects

*ARENA will co-fund 3 groups; other industry partners will co-fund 3 further groups.

ENERGY MANAGEMENT OPTIONS

- Demand flexibility
- Electrification & thermal storage
- Behind-the-meter renewables & storage
- Industrial precincts & distributed energy
- Supply chains
- True-zero 24/7 matching
- Firming

For more information, contact BRC-A info@businessrenewables.org.au

This project is led and co-funded by: Business Renewables Centre Australia, ClimateKIC Australia, UTS Institute for Sustainable Futures, ARENA Australian Government Australian Renewable Energy Agency, RACE for 2030 Business

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