



Infinis

ENGIE devises bespoke, flexible export contract for leading renewable energy generator.



Requirement

Infinis is a leading UK renewable energy generator, operating 121 landfill gas sites, flexible generation assets and is expanding into Solar and batteries. The company's landfill gas sites provide regular and predictable generation output and for many years they agreed fixed price power purchase agreements (PPAs) for the export generation, ensuring budget certainty. However, Infinis also wished to explore more flexible export contract arrangements to create greater revenue optimisation and allow them the ability to respond to market opportunities.

Solution

Jon Crouch, Commercial Manager at Infinis, says: "The fixed price export contracts we previously sought for our landfill gas sites are simply awarded to the offtake company presenting the best price on the day we offer the contract. Through this process, ENGIE had won contracts to buy the output from many of our sites. However, we recognised that we could be getting better prices if we were able to be more responsive to market price movements. So we began a process of investigating the flexible export contracts offered by the UK's major power purchasers."

ENGIE's fixed price export contracts gave Infinis an agreed price for the energy it generated, providing a guaranteed income for every MW of energy produced. It was a low-risk arrangement for the generator that provided a regular, predictable income stream.

The company's flexible 'export' contracts enable energy generators to secure prices for their future output at any time, for specific months, seasons or any other time period.

Contract key facts

- ✓ Sites contracted: 146
- ✓ Contract type: Flexi day ahead
- ✓ Volume: 1.02 TWh per annum
- ✓ Contractual relationship: 2014 - 2025

Jon continues: "We found that ENGIE offered the most flexible approach of any offtaker, and were willing to collaborate with us to devise a contractual arrangement that precisely suited our needs. This flexibility, combined with the sharpness of its pricing, were the key factors in our decision to sign our first flexible PPAs with ENGIE."

Infinis and ENGIE have subsequently agreed many flexible export contracts for its landfill gas sites. These contracts were specially developed by ENGIE in consultation with Infinis, combining transparent pricing with the ability to respond to market opportunities. ENGIE worked closely with a range of Infinis teams to agree the detailed terms and conditions and legal arrangements. The result is a bespoke flexible export contract type that allows Infinis to secure prices for its output at any time. Multiple transactions for each delivery period can be undertaken, for volumes as low as 1MW and for periods as short as one month at a time. The contract gives Infinis the flexibility to either sell all forecasted output prior to the start of the month of delivery or to leave volume to be sold at the day-ahead market index price.

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Commercial Manager

All the company needs to do is call the ENGIE trading desk at any time during trading hours to request a price for a particular volume and a specific time period. The experienced energy traders will offer Infinis the best price from a range of trading screens. Infinis can then decide whether or not to accept this price. The entire transaction takes a matter of minutes to complete.

Following the month of delivery, the value of each agreed transaction undertaken is used to create a single monthly price, which is paid for the output of all sites in the contract.

Jon says: “We are very pleased with the contractual arrangements, and our experience of putting them into practice has been very positive.

As well as purchasing output from the landfill gas sites, ENGIE buys renewable certificates (ROCs) from Infinis, which help to meet the energy supplier’s own sustainable sourcing commitment under the government’s Renewables Obligation.

Jon adds: “We have built up a close working relationship with ENGIE, who were the first offtaker to develop flexible export contract arrangements for us. The contract negotiations went very smoothly.”



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