

The time is now to adapt our system of **electricity distribution.**



How energy companies like World Kinect Energy Services and other leaders in our industry are meeting today's challenges with innovative solutions like contemporary power purchase agreements

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Since the days of Thomas Edison and George Westinghouse, global electricity networks have been centralized. That remains true today – in most markets, large power stations produce massive quantities of power centrally and deliver it to consumers via transmission and distribution networks.

But as we look ahead, we need to adapt to a new reality. Decarbonization is now law in many markets, and on the horizon of many others, and the technologies we use to comply with these regulations will require a change in approach.

With distributed renewable generators, batteries, and electric vehicles all contributing to a more dynamic system, electricity storage and distribution is moving toward the edges of the network, rather than the center. This decentralized model is more complex but also more flexible with less dependence on traditional power producers.

There are many exciting things happening as part of this transition. One recent trend is the emergence of a new generation of power purchase agreements (PPAs). Contemporary PPAs do the same thing that PPAs have always done – specify the terms under which one party supplies power to another – but they offer more choice and the means to secure renewable electricity to meet today's needs.

Developers use PPAs to demonstrate the commercial viability of a proposed project, securing access to funding in the process. Consumers use them to demonstrate a strong commitment to decarbonization at the same time as securing long-term price certainty and hedging against wholesale price volatility.

With a variety of unique features among different PPAs, it is important to understand the differences, the terminology, and how to select a PPA that is right for you. Read more about PPAs and how they will continue to play an important role in how we generate, trade, and consume electricity in this [recent article in Business Chief EMEA](#).