



## Covestro and bp sign long-term supply agreement for solar power in Spain

- 10-year agreement to supply Covestro with renewable energy from a solar power plant in Spain
- Contract boosts Covestro's renewable electricity use in Spain to 30%, significantly increasing renewables supply for Tarragona site

**Madrid, 4 July 2024** – Polymer materials manufacturer Covestro and bp have signed a long-term power purchase agreement (PPA) for renewable energy from a solar power plant in Spain. The 10-year agreement increases the share of renewable energy in Covestro's total electricity consumption in Spain from less than 10% to approximately 30%. Covestro is thereby taking another important step towards achieving operational climate neutrality by 2035.

The deal builds on Covestro's announcement in 2022 around its three smaller production sites in Spain - in the Zona Franca in Barcelona, Parets del Vallés and Santa Margarida i els Monjos – which started running on 100% renewable electricity. With the new agreement, a significant portion of the electricity consumed by the company's main production site in Tarragona can now also be supplied by renewable sources, enabling Covestro to cut its CO2 emissions by approximately 16,000 tonnes per year.

"With the PPA, we are demonstrating that we at Covestro are using every opportunity to consistently increase the proportion of energy from renewable sources at our sites worldwide," says Thorsten Dreier, CTO at Covestro. "Because we are convinced that our vision of a complete focus on the circular economy and climate neutrality is the only way to ensure the long-term success of our company."

Olvido Moraleda, president of bp Energía España, said: "This agreement is a significant milestone for bp in Spain, enabling us to provide renewable energy through a PPA to a key industrial customer. This deal enables bp and Covestro to work together in delivering lower carbon energy to a traditionally hard-to-abate sector, as part of bp's strategy to become an integrated energy company."

Andrea Firenze, General Manager at Covestro Spain, said: "Commitment to sustainability is a non-negotiable part of everything we do, and this agreement allows us to take a further step in our mission to make energy use as efficient and sustainable as possible throughout our value chain. In the same way, through this alliance with bp, we will continue to promote the strategic positioning of our Tarragona site through a more stable, more predictable and, above all, more sustainable long-term energy supply."

Jason Tate, head of European power trading and origination at bp, said: "This agreement highlights not just bp's commitment to Spain. It's an example of how bp is continuing to invest in developing our expertise and capability to support European commercial and industrial customers to help meet their decarbonization goals."

Under the terms of the power purchase agreement, bp has agreed to supply Covestro with a high double-digit GWh volume of renewable electricity for a period of 10 years, backed by an equivalent volume of Guarantees of Origin (GoO). The current plan is to source the



renewable power from an already operational solar photovoltaic (PV) farm, in Teruel, in the Aragon region of eastern Spain, with which bp has an offtake agreement in place.

Covestro aims to convert its production to 100% renewable energy as part of its climate goals until the end of 2035. At the end of 2023, Covestro fulfilled approximately 16% of its global electricity needs from renewable sources.

bp has been active in the Spanish natural gas market for more than 20 years, through management of their LNG portfolio, and supply to C&I customers. In the power and renewables space, bp manages a portfolio of solar offtake and also supplies renewable power, a key growth area for the bp trading business in Europe.

**Further information bp:**

bp press office London, [bppress@bp.com](mailto:bppress@bp.com), +44 7831 095541, +44 7919 217511

**Cautionary statement bp:**

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