Unlocking Corporate **PPAs**

the value of

Net zero ambitions:

With energy demand forecasts continuing to rise, and ambitious 2050 carbon reduction targets set at an international level, there is a heightened focus on renewable electricity generation. Businesses are looking to play their part and transition to net zero carbon, making long-term energy pledges that align with their wider sustainability targets.

Unlocking the value of Corporate PPAs: Corporate PPAs with their long-term duration and

price certainty, help businesses align with specific renewable generation projects for 10+ years. Further, where Corporate PPAs are for new build projects, they will normally allow the consumer to demonstrate 'additionality', enabling a renewable project to go ahead, when it otherwise might not have been built.

Illustrative contract chain:



of power and REGOs by SmartestEnergy from the Generator

Flexible PPA

Governs the purchase

C-PPA Appendices Governs the agreement of an Agreed Commodity Price and Volume (including

REGOs) between the

- Generator and Corporate Also covers governance for operational areas (i.e. outages, inclusion of multiple sites, payments schedules and any relevant SLAs)

Generator



- back locks at the Agreed Commodity
- Price through the PPA and Supply Contract Manages REGO transfer process

by the Customer from SmartestEnergy

Flexible Supply Governs the purchase

of power and REGOs

C-PPA Appendices

and Volume (including

Governs the agreement of

an Agreed Commodity Price

- REGOs) between the Generator and Corporate Also covers governance for operational areas (i.e. outages, inclusion of multiple
 - sites, payments schedules and any relevant SLAs)





PPA survives the CPPA in a termination event Lock executed for SmartestEnergy to purchase a pre-agreed volume

the Generator

Flexible PPA

of power corresponding to the CPPA Residual non-CPPA volumes can be locked and unlocked as normal

Governs the purchase of power and REGOs by SmartestEnergy from

SmartestEnergy convert generator output to a firm baseload block

- Pre-existing supply contract Supply contract survives the CPPA in a termination event Lock executed for SmartestEnergy to sell a pre-agreed volume of

Residual non-CPPA volumes can be locked and unlocked as normal



Flexible supply

Framework agreement

power corresponding to the CPPA

Framework agreement signed by all three parties

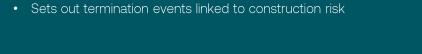
- Price agreed between Generator and Customer for an agreed CPPA CPPA volume agreed between Generator and Consumer

10+ year framework which supplements separate Flexible PPA and



Governs the liabilities between the Generator and Customer, including interim disruption in the contract chain, other disruption events, credit support, change of control and termination events

Flexible Supply contracts

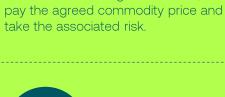








Credit worthiness Do the PPA prices meet the renewable Can the business and renewable project developer confirm their project developer's requirements for CAPEX and OPEX to make the project credit worthiness? A prerequisite for to move towards contract signature. SmartestEnergy, with



Only off-taker

off-taker from a project?

taker to limit contract complexity.

Would the business want to be the only

Often it is preferable to be the only off-

the financial backing of Marubeni, would

Illustrative timeline to establish

Full off-take

Would the business require the full off-

economical to build a site with a larger renewable generation capacity than that required by the business.

take of the renewable electricity generated from the project? Often for

economies of scale, it is more

project developer and SmartestEnergy)

project developer

the contract chain:





is operational; SmartestEnergy maintain Carbon Trust certified product supply for the business

SmartestEnergy help match business with renewable

PPA signed between project developer and SmartestEnergy; Corporate PPA Framework signed by all three parties (business,

renewable project developer and SmartestEnergy)

Renewable project commissioning phase

Supply agreement tops up any power in this interim commissioning phase before the new renewable project



01

04

Every year, or every five years as agreed, costs are

reconfirmed to account for any regulatory cost changes; the agreed cost for electricity does not change as this is fixed for the duration of the Corporate PPA Framework Agreement



Report and communicate confidently on reductions 05 Leverage additionality

Support sustainability ambitions Leverage buying power to achieve net

O3 Positively influence supply chains Lead the wider step-change needed

Differentiate your brand

Convey your commitment to the environment to stand-out in your industry



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zero ambitions

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