

# Unlocking the value of Corporate PPAs

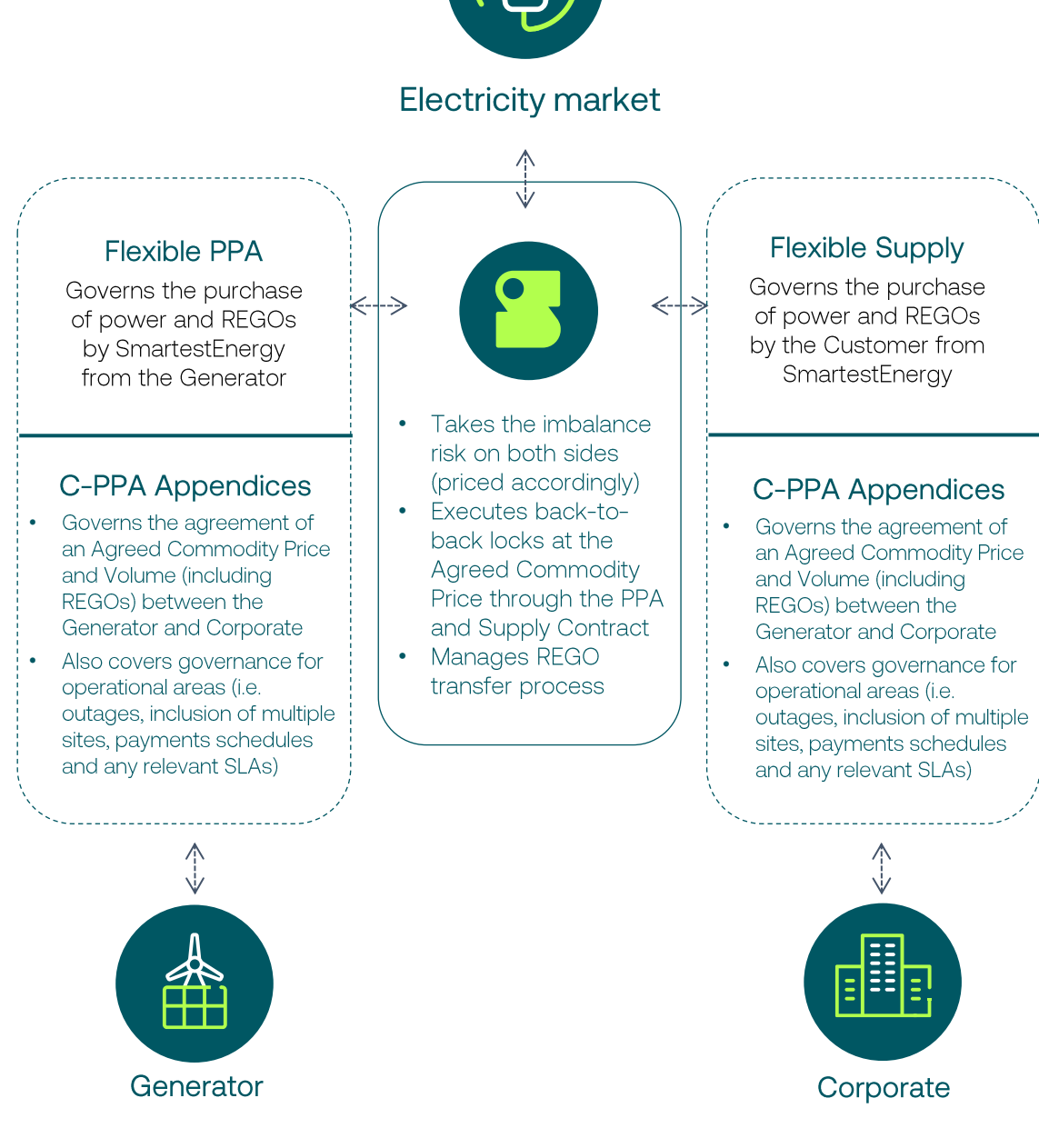
## Net zero ambitions:

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:



## Flexible PPA

- Governs the purchase of power and REGOs by SmartestEnergy from the Generator
- SmartestEnergy convert generator output to a firm baseload block
- PPA survives the CPPA in a termination event
- Lock executed for SmartestEnergy to purchase a pre-agreed volume of power corresponding to the CPPA
- Residual non-CPPA volumes can be locked and unlocked as normal



## Flexible supply

- Pre-existing supply contract
- Supply contract survives the CPPA in a termination event
- Lock executed for SmartestEnergy to sell a pre-agreed volume of power corresponding to the CPPA
- Residual non-CPPA volumes can be locked and unlocked as normal



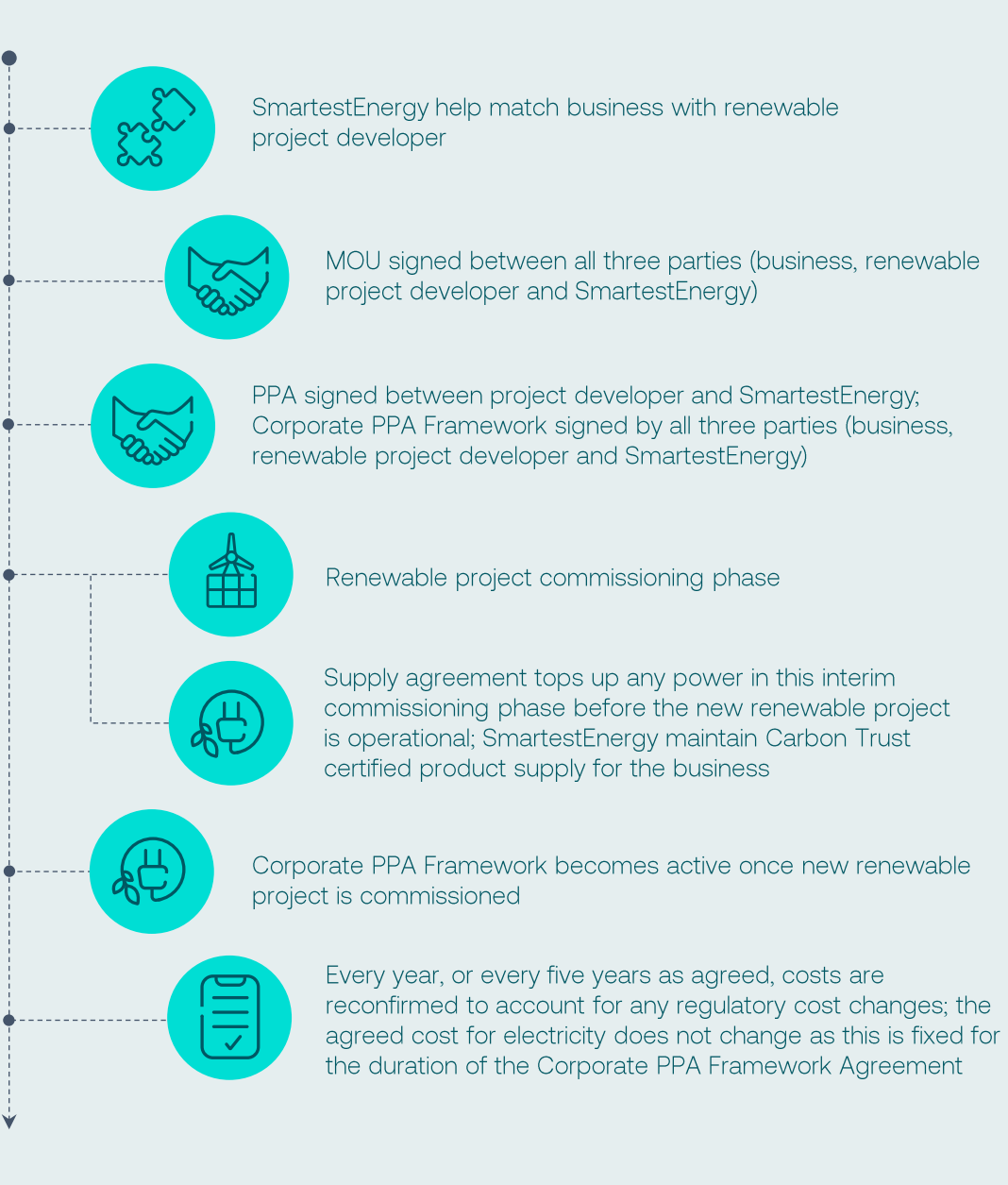
## Framework agreement

- Price agreed between Generator and Customer for an agreed CPPA volume
- CPPA volume agreed between Generator and Consumer
- Framework agreement signed by all three parties
- 10+ year framework which supplements separate Flexible PPA and Flexible Supply contracts
- 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
- Sets out termination events linked to construction risk

## Key considerations:



## Illustrative timeline to establish the contract chain:



- 01 Guarantee long-term price certainty**  
Overcome heightened market volatility
- 02 Support sustainability ambitions**  
Leverage buying power to achieve net zero ambitions
- 03 Positively influence supply chains**  
Lead the wider step-change needed among businesses
- 04 Reduce your carbon footprint**  
Report and communicate confidently on reductions
- 05 Leverage additionality**  
Demonstrate additionality with any new build project support
- 06 Differentiate your brand**  
Convey your commitment to the environment to stand-out in your industry

## Reasons for choosing a Corporate PPA