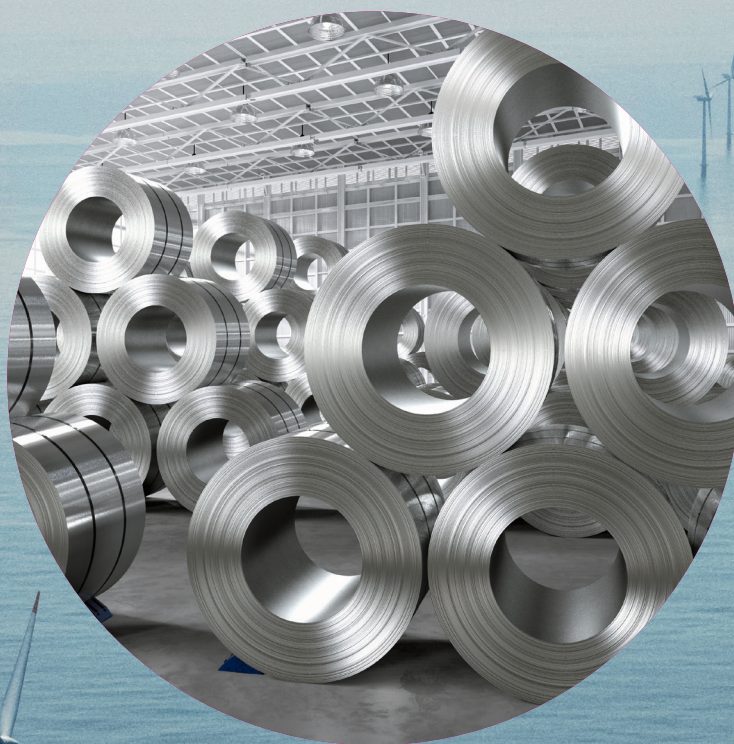


Power Purchase Agreements (PPA)

Your path to a long-term, environmentally friendly
and predictable electricity supply

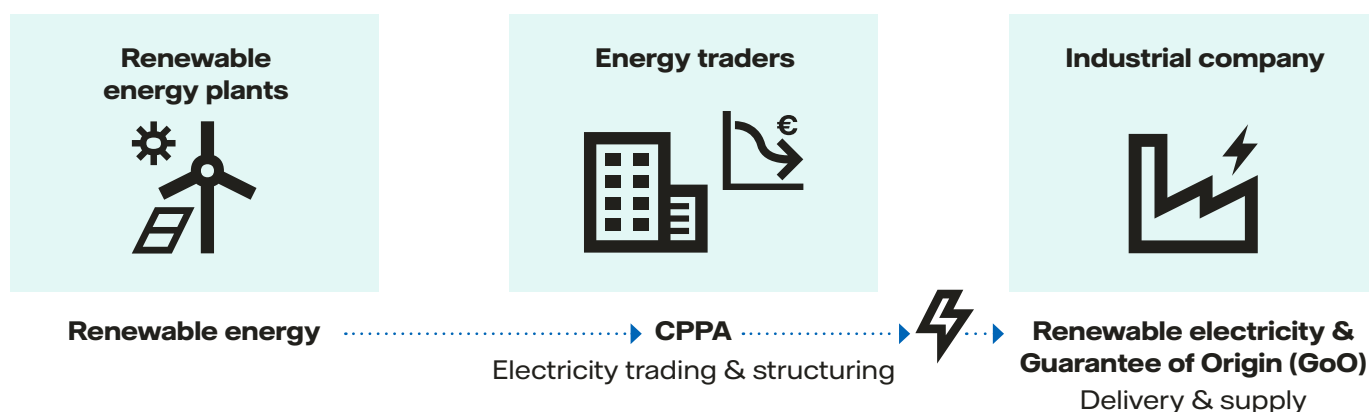


VATTENFALL

Energy for your company

What is a Power Purchase Agreement?

A Corporate Power Purchase Agreement (CPPA) is a long-term electricity supply contract between a company and a renewable energy generator. It sets out the volume of electricity, price, term and delivery, thereby providing planning and price certainty. At the same time, it enables the procurement of renewable electricity and helps companies to stabilise costs, achieve climate targets and make their energy supply more sustainable. In practice, an electricity supplier often acts as an intermediary to arrange the structuring and supply of the electricity. In an increasingly volatile market environment, CPPAs also offer the opportunity to secure long-term stability and base decisions on a more reliable cost basis, and are therefore an integral part of a modern and professional electricity procurement strategy.



Your advantages at a glance:

- ✓ Price, volume and security of supply – long-term predictability and safeguarding of electricity procurement as protection against volatile markets and in times of uncertainty
- ✓ CO₂ reduction – verifiable reduction in emissions with a direct impact on the climate (Contribution to RE100, SBTi and CSRD requirements))
- ✓ ESG and market positioning – credible and verifiable sustainability vis-à-vis customers, investors, partners, regulatory requirements and funding bodies
- ✓ Promotion of renewable energy – support for new projects and additional capacity
- ✓ Industrial electricity price benefits – eligibility under the industrial electricity price scheme, electricity price compensation and other support schemes



An overview of PPA models and supply structures:

PPA models and supply structures differ in terms of how electricity is supplied, **how predictable the volumes are, and how risks are shared between the buyer and the generator**. The models range from direct on-site PPAs, through physical supply via the grid, to purely financial instruments for hedging on the market.

PPA-type	Supply structure
On-Site PPA	Direct physical delivery
Off-Site PPA	Delivery via the public network
Sleeved PPA	Supply for accounting purposes via the utility provider, where applicable, as part of a comprehensive supply concept
Financial / Virtual PPA	No physical delivery, financial settlement

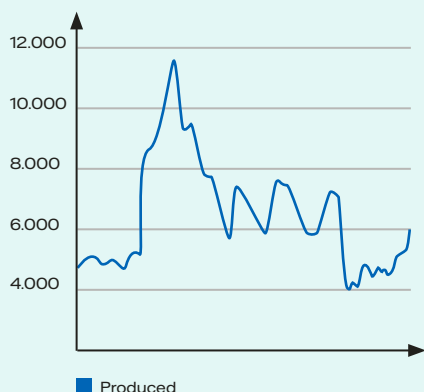
The profile determines the basic structure of the PPA and how risks relating to production forecasts are allocated. Each PPA profile involves a different balance of risks and opportunities for the buyer and the seller. **The most suitable structure depends on the specific objectives, consumption profile and risk preferences of the contracting parties.**

Supply structure	Quantity supplied	Pricing logic	Typical advantage
Pay-as-Produced (PaP)	Electricity actually generated and GoO	Fixed price per MWh	Simple structure, affordable price, high additionality
Pay-as-Forecasted / Nominated	Forecast volume and GoO	Fixed price for the specified quantity	A balance between simplicity and predictability
Pre-defined Profile	Predefined numbers of hours and GoO	Fixed price on profile	Particularly suitable for solar PPAs
Baseload	The same quantity in every hour of a specified period, e.g. a year or a month, as well as GoO	Fixed price based on a constant bandwidth supply for one year, or adjusted monthly	Deliveries are very predictable; monthly products can also reflect seasonal trends

Pay as produced, actual production

- Weather-dependent generation & supply
- 1/4 h forecast
- Possible deviations from the forecast

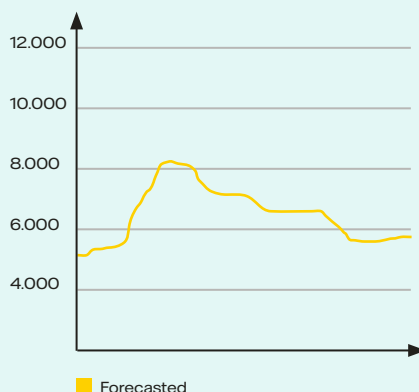
Variable & weather-independent



Pay as forecasted, forecast quantity

- Weather-based forecast (1/4 h)
- Delivery scheduled the day before
- No last-minute changes

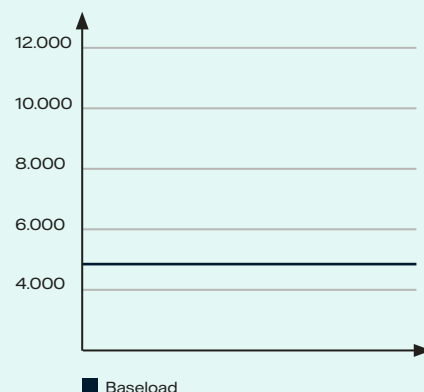
Fixed forecasting schedule



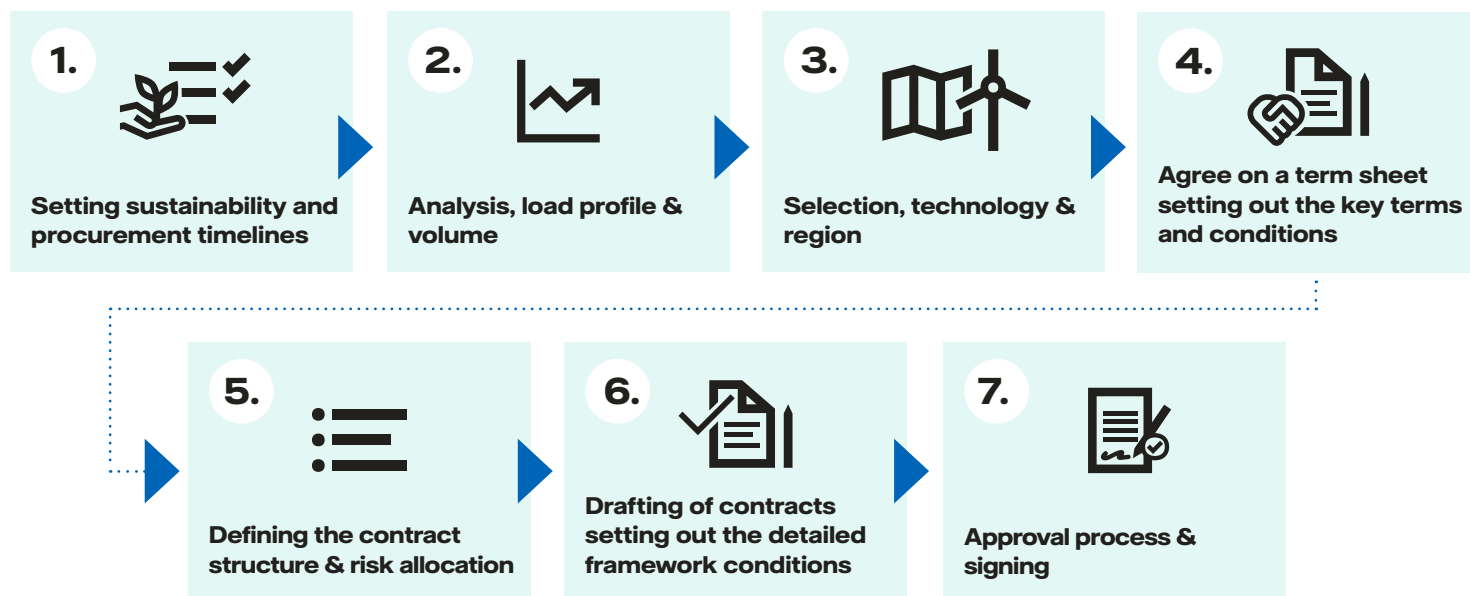
Baseload, constant quantity

- Consistent supply profile
- Base load throughout the entire period
- Independent of weather and forecasts

Constant base load supply



Typical procurement process for a PPA



Your path to long-term security through a strong PPA partner

With Vattenfall, you are choosing a **financially strong partner with a well-established presence across Europe for PPAs**. Our integrated expertise in development, trading, structuring and risk management enables us to provide **bespoke, creditworthy contractual solutions** that reliably meet your energy requirements as well as the demands of banks and investors.

Particularly with long-term PPAs, **creditworthiness, bankable collateral and professional management of volume, price and profile risks** are crucial, especially during volatile market phases. Drawing on our comprehensive market and structuring expertise, we develop **economically optimised and operationally robust PPA models** that are reliably secured throughout their entire term.



We would be happy to work with you to analyse which PPA structure is best suited to your business. Please get in touch.

We will work with you to develop a bespoke solution for your renewable electricity supply.

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