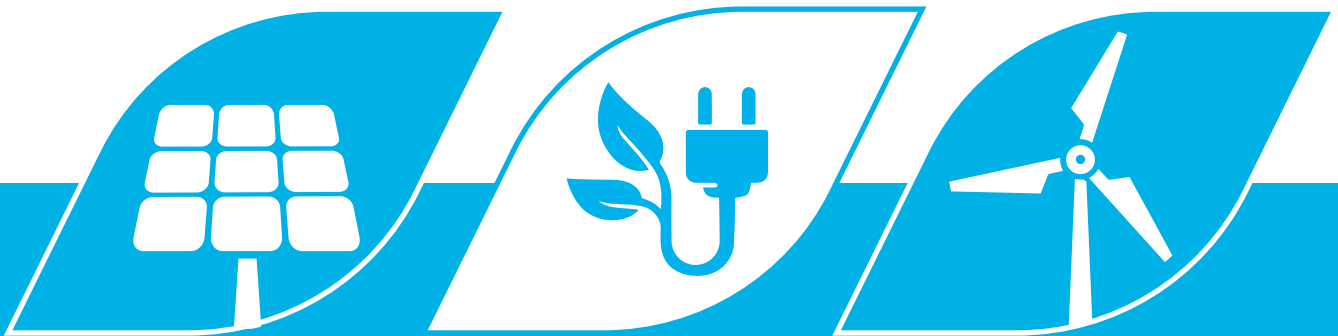


WEB Windenergie AG

Corporate Power Purchase Agreements (cPPAs)



WEB Windenergie AG




Introduction



Corporate Power Purchase Agreements



Contact



By means of corporate PPAs, WEB Windenergie AG (W.E.B) aims to support middle- and large-scale industrials in their transition from a CO₂-intensive energy consumption to long-term solutions with a direct allocation of Renewable Energy and related Guarantees of Origin generated by a Power Plant operated by W.E.B.

1. WEB Windenergie AG (W.E.B) – Largest independent wind and solar/PV Power producer in Austria with an international footprint

W.E.B considers itself as an international energy transition and citizen participation company. We develop projects, build and operate renewable energy projects with a focus on wind and solar energy.

W.E.B, headquartered in Austria, is the parent company of the W.E.B Group and a stock corporation with its shares traded on its proprietary platform www.traderoom.at.

As an unlisted public limited company with a broad free float, W.E.B is committed to its owners: the more than 6.600 shareholders, who are almost exclusively private individuals. Hence, W.E.B is independent from companies operating in the fossil fuel or nuclear energy sectors and fully committed to renewable energies, energy transition and the changes required for it.

The Vision of W.E.B

We make green energy happen.

For us, the energy transition represents a complete move away from fossil fuels and towards renewable energy sources. Our essential role is based on the three pillars of project development, power plant operations and electricity marketing. Broad community participation is the foundation on which these pillars are based.

We stand for...

... energy transition and innovation

Wherever possible, energy should be generated and stored where it is to be used. We work constantly to develop innovative concepts to promote this.

... stability and growth

It's not just environmental considerations that make renewable energy sources the best option. The economic benefits are also undeniable. The market is expanding, and we intend to grow with it and use our experience to make improvements and consolidate our achievements.

Our activities are...

... local and international

Our employees and business partners give us a strong foundation in the local region. We are working together to create an international network of experts who are able to react flexibly to changing requirements.

... environmentally and economically sustainable

We believe that people's electricity requirements can be fully met by energy from renewable sources – and that this is more economically viable than fossil fuels or nuclear power.

Some facts of W.E.B

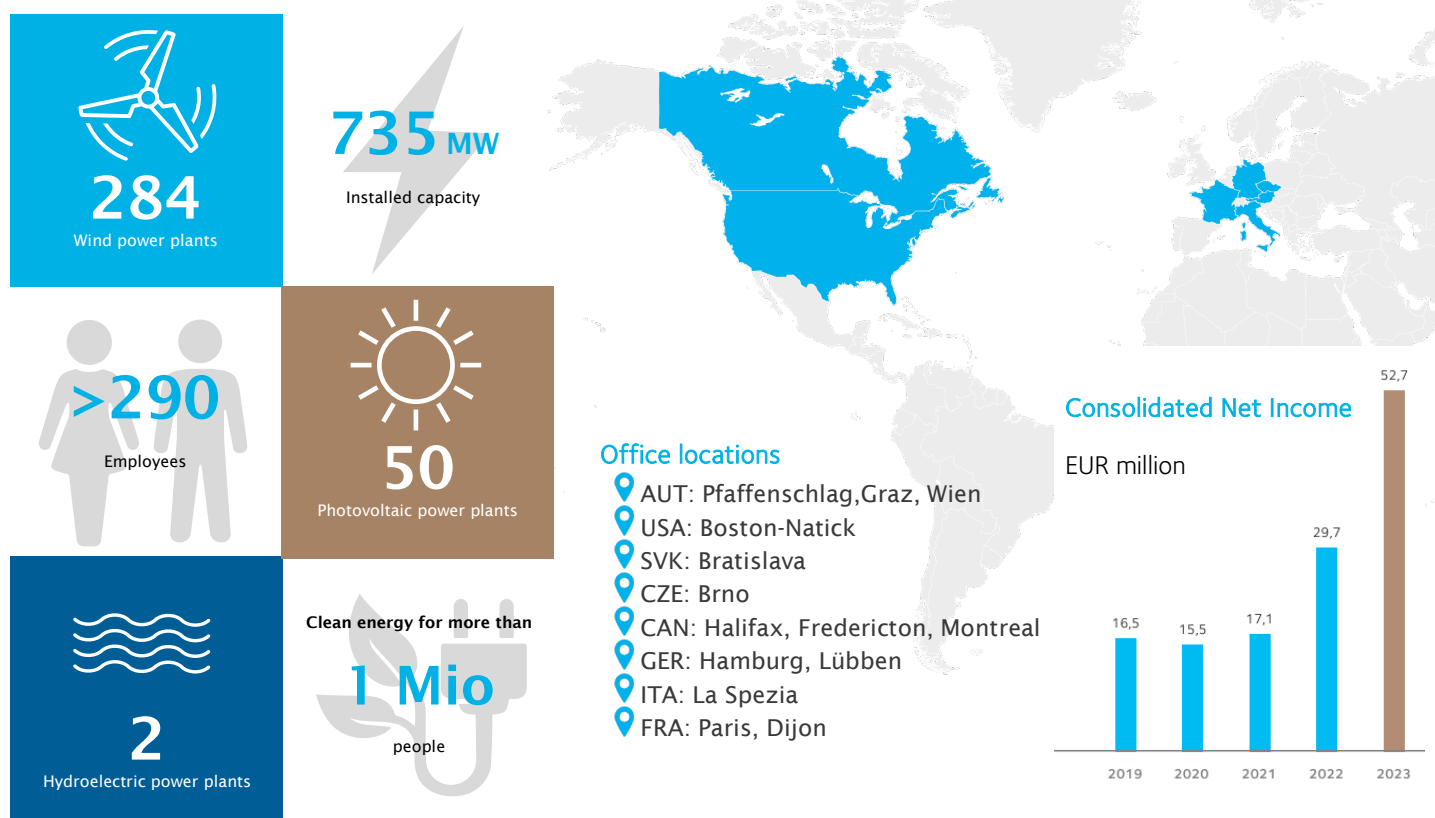
As of July 2024

In several workshops and interviews, the central stakeholders of W.E.B were corporately discussed and revised. In alphabetical order these are:

- Business partners
- Competitors
- Customers
- Employees
- Governmental organizations and authorities
- Investors: shareholders, banks, bond subscribers
- Landowners (power plants)
- Neighbors (power plants)
- Non-governmental organizations
- Politics
- Supervisory Board
- Suppliers

In addition, the working group discussed the issues that are important for W.E.B regarding sustainability which resulted in the following priorities:

- Contribution to a sustainable ecological development: Renewable energies make a significant contribution to mitigating climate change. All measures that also contribute to the reduction of CO₂ emissions should therefore continue to receive special attention. For example, the switch of corporate and private cars to electric vehicles will be further accelerated.
- Protection of biotopes and the landscape: Special attention is to be paid to the environment during planning, construction, and operation of power plants. W.E.B goes beyond the legal requirements with its corresponding measures.
- New market conditions: The international and national political commitment to renewable energies has been particularly strong since the 1990s but has changed to the extent that regulatory price fixing is gradually giving way to competitive forms. As a result, the conditions are changing, especially in project development.



2. Introduction

Power Purchase Agreements (PPAs) are long-term contracts, typically ranging from 5 to 25 years, between renewable energy project developers and green energy purchasers. These agreements ensure that a significant portion, if not all, of the electricity produced by Renewable Energy assets is bought by a single Buyer or a consortium of Buyers.

Who can be the Buyer?

- An energy supplier: In this scenario, we refer to UTILITY PPAs.
- A wholesale trader or an aggregator: Here, we talk about MERCHANT PPAs.
- A large corporate or industrial end-user: In this case, we discuss CORPORATE PPAs.

In this paper, we will delve deeper into the benefits of Corporate PPAs for the Buyer.

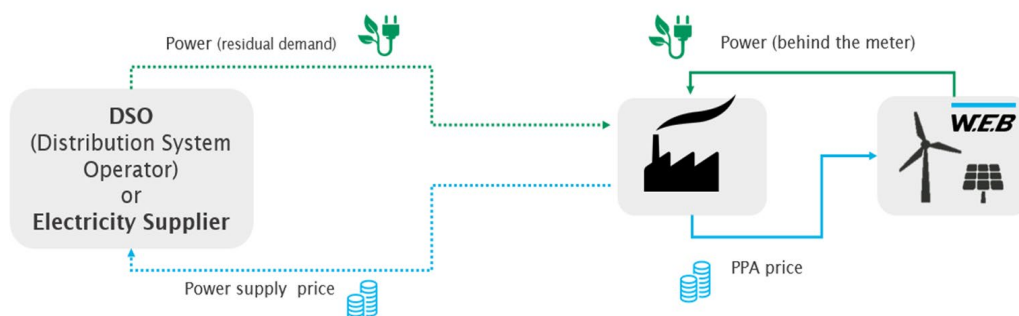
3. Corporate Power Purchase Agreements (cPPAs)

3.1. Overview of types of PPAs

Type	Short Description
Physical On-site PPA	Wind or PV assets are installed on appropriate land within the boundaries of the corporate site.
Physical Off-site PPA	Wind or PV asset are installed off-site and deliver electricity to the corporate site via the public grid.
Financial PPA	Wind or PV assets deliver electricity to the wholesale market, while the corporate consumer is supplied via the public grid from their supplier. A contract for difference provides a financial hedge against long-term electricity price fluctuations.

3.1.1. Physical on-site PPA

Industrials with ample surface availability on their company site may consider the opportunity of an on-site PPA (PV or Wind), where the plant can be built and operated behind the customer's meter. A PV system can be either ground-mounted or rooftop, and ideally, the customer can absorb the entire electricity generation on-site without needing to sell any surplus via the grid at current market prices. One of the most important additional advantages of an on-site solution, apart from environmental considerations, is the savings on grid costs.

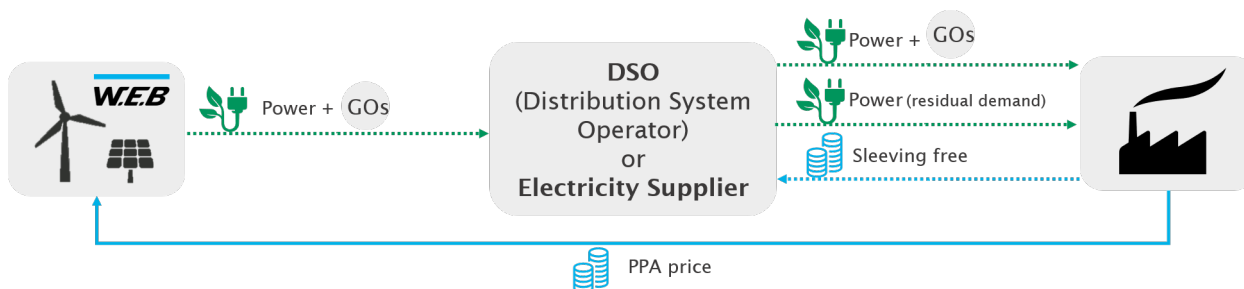


- W.E.B develops, builds, owns, operates, and maintains the renewable installation on suitable land within the boundaries of the corporate site ("behind the meter").
- The Buyer offtakes the electricity generated on-site on a "pay as produced" or "pay per use" basis.
- The utility, as the electricity supplier, delivers any additional electricity required by the corporate buyer that cannot be produced by the renewable installation when needed ("residual power" supply).

- A similar solution to “on-site” is a “direct wire” solution. In this case, the appropriate land is located in the vicinity of the Buyer’s site and does not need to belong to the Buyer. The renewable installation is connected directly to the customer’s facility without flowing through the grid.

3.1.2. Physical Off-site PPA

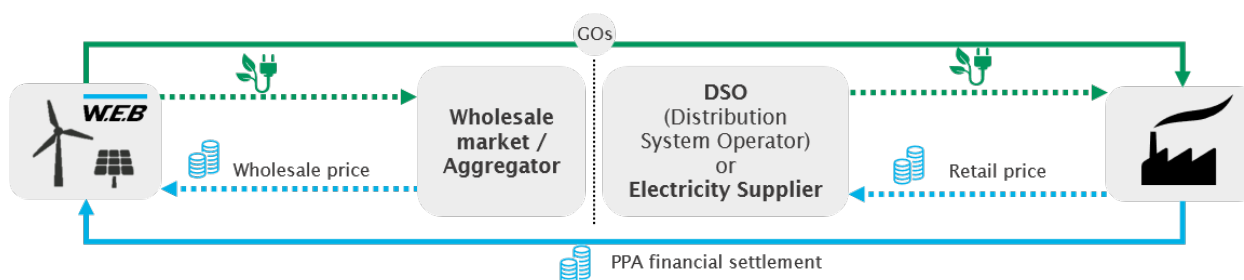
If the industrial customer does not have sufficient on-site availability, an off-site opportunity becomes a viable alternative. In this case, the electricity generated from a PV or wind turbine is injected into the grid, and the related metering point of generation is officially allocated to the Balancing Group nominated by the Buyer. Along with the electricity, Guarantees of Origin (GOs) will also be generated.



- A wind or PV asset is installed and operated off-site and delivers electricity to the corporate site via the public grid.
- Usually, the power is fed into the Balancing Group of the "residual power" supplier, and the operator of the Balancing Group may charge a "sleeving fee" to the Buyer to cover additional costs.
- As a delivery structure, "pay-as-produced" or "pay-as-nominated" (with the support of a Trader) can be applied.

3.1.3. Financial PPA

Industrials usually consider Financial (or virtual) PPAs either to service demand from multiple sites in different network areas or because it is easier not having an additional agreement with their Balancing Group for the allocation of the electricity from the PPA. The object of a virtual PPA is not the offtake of electricity but a financial transaction, known as a "Contract for Difference."



- Financial hedge against long-term price fluctuations.
- The price for the underlying electricity is settled with a Contract for Difference (CfD).
- A 'strike price' for the electricity and a market-based reference price (usually day-ahead spot) are established for the duration of the contract.
- In parallel, the Buyer needs to secure a regular market-based electricity supply contract to cover their full consumption needs.

3.2. Advantages

The table below summarizes the pertinent advantages and risks that corporate Buyers should consider in the context of long-term PPAs with renewable energy project owners.

The business model of long-term purchase agreements with W.E.B offers advantages for corporates seeking:

- Same reliable project partner in different countries with local expertise
- Outsourcing project financing
- Outsourcing O&M
- Partial detachment from EEX prices
- Achieving ESG (Environmental, Social, Governance) compliance for a better enterprise rating
- Matching reporting requirements according to GHG (Greenhouse Gas) Protocol
- Achieving the net-zero target by 2050 (avoidance of the purchase of carbon credits)



Long-term lock in of electricity prices (risk hedging) for periods, that are not liquid at electricity changes



Cost advantages by procuring without intermediaries



No demand for investment



No demand for project financing



Marketing value for “Green Brands”



Value of guarantees of origins for CO2-strategy

Issues to be considered in the buyer’s calculation:



Long-term commitment for direct PPAs needs to be aligned with short-term procurement strategy of electricity



Scenarios of long-term development of corporate strategy and related demand of electricity



Replacement in case of early termination of agreement



Accounting issues in case of financial PPAs

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W.E.B is present on the following platforms:



For more information see web.energy/PPA