PPAs/CFDs:
What is the ideal policy framework?

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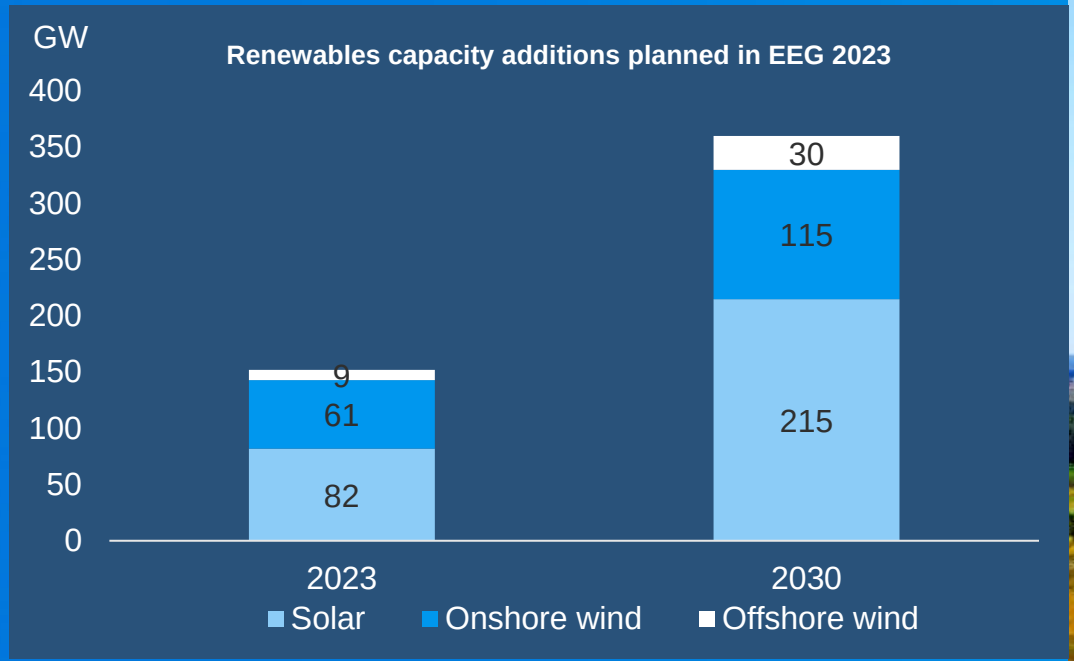
To reach a climate-neutral power system, RES installed capacity rate need to further increase



Overall estimation of EU capacity addition rate to increase of 30% to meet the REPowerEU targets

Electricity market design (EMD) reform set a strong focus on longer-term markets instruments

Contracts for Difference

Member States (MS) wishing to offer direct price support schemes for **new renewable electricity and nuclear capacity** will have to do so via **two-way contracts for difference or 'equivalent schemes'.**

The rules for CfDs will only **apply after a transition period of 3 years** after the entry into force of the EMD, to maintain legal certainty for ongoing projects.

MS will retain some **flexibility on the redistribution of revenues** generated through two-way CfDs, e.g. to finance the costs of the direct price support schemes or to reduce electricity costs for final customers.

PPAs

Facilitate all PPAs through:

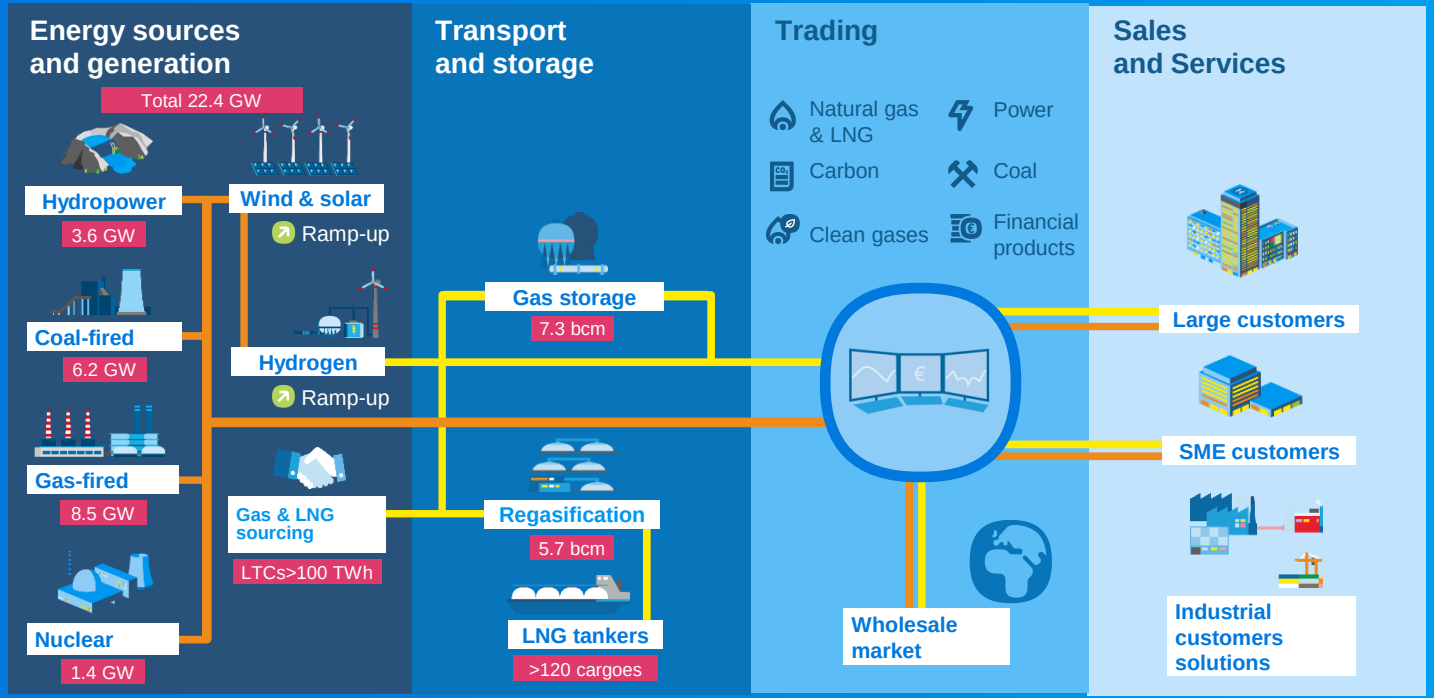
Guarantee schemes at market prices, possibly backed by Member States

Facilities **pooling demand for PPAs**

Based on the results of an impact assessment, one or several **voluntary EU Market Platforms for PPAs** might be set up.

ACER is required to assess the need for **standardized contracts for PPAs**, for voluntary use.

Offtakers can be a crucial accelerator of the energy transition if green electrons are made available to them



Uniper 2030: Flexible, balanced, bespoke – Providing what the energy system needs

Uniper 2030

Leveraging interlinkage of power and gas in core markets[1]

Investing >€8bn 2023-2030 in growth and transformation

Coal phase out by 2029[2] as first step on path to carbon neutrality by 2040[3]

Independent and stand-alone investment grade rated company as well as attractive employer

Customer

- ~1000 municipal and industrial customers as well as grid operators
- Securing sustainable energy supplies for customers
- Developing bespoke energy solutions to support our customers' decarbonization

Green & Flexible Power

- 15-20 GW capacity
- Thereof >80% green
- Green power sales portfolio
- Security of supply (e.g. ancillary services)
- Decarbonization solutions

Green Gases

- >200 TWh gas sales
- >1 GW electrolyzer capacity
- Security of supply based on an increasing share of green gases

Optimization

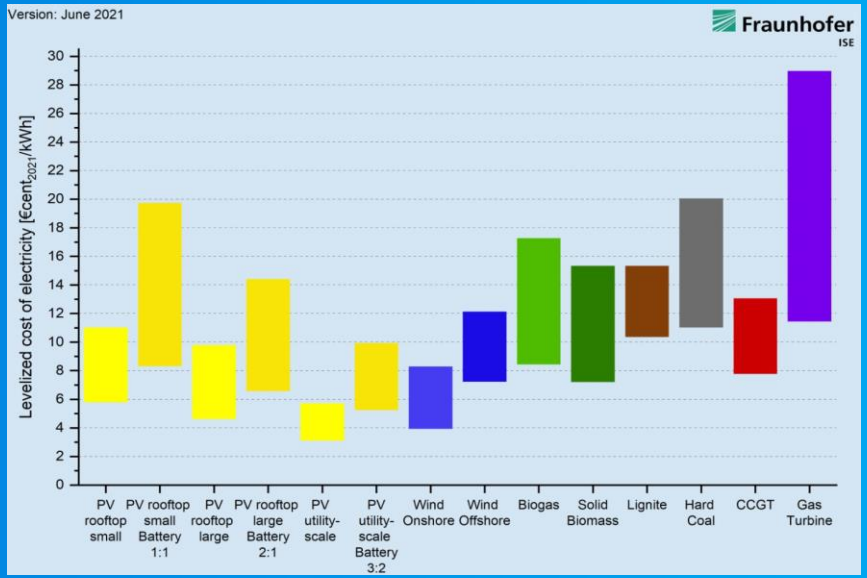
- Balancing sales with supply
- Originating and trading energy products to optimize the energy system

1 Core markets: Germany, UK, Sweden, Netherlands
2 Disposal of Datteln 4 acc. to conditions from EU COM remedies assumed
3 Referring to greenhouse gas scope 1-3 accounting rules

How will the electricity market react to the increasing penetration of renewable energy sources?

German Power Forward Rolling (Year+1)

LCOE in Germany in 2021



What is the ideal CfD schemes for Germany?

CfDs design principles should:

- Incentivise efficient power dispatch
- Embed design and location signals to foster efficient design/technology and location decisions
- Give stable ex-ante contractual stability to attract capital intense investments
- Follow a competitive process to support cost-efficient RES build-out

CfDs properly designed can and should create a positive synergy with long-term PPAs and thus generate attractive opportunities for consumers decarbonisation ambitions.


Thank you for your attention