

## Media Release

24<sup>th</sup> January 2018

### Non-subsidised solar plant: Axpo breaks new ground in Portugal

**Axpo Iberia, the Axpo subsidiary for the Spanish and Portuguese market, has facilitated the financing and construction of a 25-MW solar plant in the Portuguese city of Évora. The venture is unique: This is the first project to be realised on the Iberian Peninsula thanks to a power procurement agreement with a 10-year term and absolutely no public subsidies. With this undertaking, Axpo is laying the foundation for the development of similar construction projects in upcoming years, and developing a new business field.**

The construction of the solar plant on a large field near Évora, the capital of the central Alentejo region about 130 km east of Lisbon, will be carried out by a specialised Portuguese company on a total area of 50 hectares. The plant is scheduled to go into operation in mid-2019. The yearly production is estimated at about 50 GWh, corresponding to the average annual consumption of 14,000 households.

In contrast to the usual financing practice with subsidies, plant construction in Évora is funded through a bank. The project can only be realised because Axpo Iberia has provided a long-term price and supply guarantee for the generated solar power and plans to market this energy autonomously.

Ignacio Soneira, Head of Axpo Iberia, explains: "This is the largest concluded deal of its kind on the Iberian Peninsula, and it is the first financing model to take place through a bank. The three main players - the local project initiators, the financing bank, and Axpo Iberia as the marketer of the electricity - have come to a joint agreement for realisation. This pioneer undertaking, in which we have a major stake, will shape the development of similar renewable energy construction projects in up-coming years, not only in Spain and Portugal."

#### Potential for other European markets

The agreement is the first 10-year power procurement agreement to be signed in Portugal. In addition, the scope and volume of the deal make it the most important agreement of its kind on the Iberian Peninsula. Axpo has already acquired manifold experience in the area of power procurement agreements in other European markets. The transaction is unique in that no public subsidies will be used for construction of the solar plant in Évora. Hence, this power procurement agreement will serve as a model for other markets, particularly in Southern Europe. The fact that these types of projects can now be achieved without state financial support is proof that renewable energies are becoming more and more market-oriented, while offering the involved players new business opportunities.

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## **Fifteen years of renewable energy experience on the Iberian Peninsula**

Since its founding 15 years ago, Axpo Iberia, with headquarters in Madrid, has been providing comprehensive energy solutions for producers, consumers and other energy market players, procuring energy for end customers, and offering risk management solutions. The focus all along has been on sustainable business in the area of renewable energies: Today Axpo Iberia is the most important wind power marketer in Spain and manages a portfolio of renewable energy production in the range of about 7,700 MW. The transaction for the solar plant in Évora creates the prerequisites for Axpo Iberia to conclude long-term power procurement agreements with other producers and consumers and, as a result, advance the expansion of renewable energies in Spain and Portugal.

### **Additional information**

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### **About Axpo**

The Axpo Group produces, trades and distributes energy reliably in Switzerland and in over 30 countries throughout Europe. Around 4500 employees combine the expertise from 100 years of climate-friendly power production with innovative strength for a sustainable energy future. Axpo is an international leader in energy trading and in the development of tailor-made energy solutions for its customers.