

Media Release

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Axpo signs two 10-year PPAs for wind farms in Sweden

Axpo is further expanding its business in the field of long-term power purchase agreements (PPAs) for renewable energies in the Nordic region: The company's subsidiary Axpo Nordic AS has agreed to buy the full output generated by the 60 MW Hultema and 16.4 MW Norra Hunna wind farms currently under construction in Sweden. Thereby, Axpo is further strengthening its position as one of the country's leading marketers of power from renewable energies.

In recent years, Sweden has become one of the most important European markets for wind power. The country offers favourable wind conditions along with a stable investment environment. Supported by its target to generate 100% of electricity from renewable sources by 2045 and the growing acceptability of fixed volume PPA structures, Sweden's onshore wind market continues to see high levels of investor demand. As a result, an increasing number of wind farms are being built in the country.

The Hultema and Norra Hunna wind farms are the most recent examples in this regard. Axpo Nordic has inked two long-term PPAs with the owners of the projects. With a planned nominal capacity of around 60 MW, the Hultema wind farm was developed by the PNE Group, a German wind power pioneer, and recently sold to the Swiss infrastructure fund Reichmuth Infrastruktur II KmGK. Construction started in February 2021 with commissioning planned for mid-2023. Once the wind farm is fully operational, Axpo Nordic will be responsible for marketing the electricity produced over a period of ten years.

The second PPA has been signed with Hamburg-based Connected Infrastructure Capital GmbH (CIC), owners of the Norra Hunna wind farm in the Swedish province of Örebro. The 16.4 MW wind farm is scheduled to go into operation in the second quarter of 2021, securing a first foothold for CIC in the Scandinavian growth market. Under the ten-year agreement, Axpo Nordic will buy the wind farm's full output.

Tomas Sjöberg, Managing Director Axpo Sverige, commented: "Sweden continues to be an important market for wind energy and we continue to see an increasing interest from international investors active in our country's merchant market without subsidies. Project owners are seeking price stability when selling the electricity produced by their wind farms. That's where Axpo comes in: we bring producers and consumers together, acting as an enabler and accelerator for the transition towards more renewable energies."

Corinna Pauschardt, Vice President Commercial Projects at PNE Group, said: "Sweden is one of the most important markets for us. Our long-standing commitment to the country is once again paying off. I am pleased that we will be working with Axpo. They have proven to be very quick and flexible, and tailored their services very well to our needs."

Lars Quandel, Managing Director at CIC, stated: "With the Norra Hunna wind farm, we have a foot in the door to the important Northern European market. We aim to expand our presence in the Nordic region as well as other regions in Europe such as The Netherlands and Poland over the coming years, and the long-term cooperation with Axpo is an important milestone in this regard."

Axpo Nordic is part of the Axpo Group, the largest energy company in Switzerland. The wholly owned subsidiary was founded in 2003 for the markets in Northern Europe and the Baltic region. The focus of its business activities in the Nordics is on long-term power supply and purchase agreements. In addition to its PPA business, Axpo Nordic develops bespoke products and associated services for its customers, such as retailers, industry, and producers. The business activities in the Nordics are part of Axpo's strategy to grow its international presence and business specializing in tailor-made energy solutions.

About Axpo:

Axpo is Switzerland's largest producer of renewable energy and an international leader in energy trading and the marketing of solar and wind power. 5,000 employees combine experience and expertise with a passion for innovation. Axpo develops innovative energy solutions for its customers based on state-of-the-art technologies in 40 countries in Europe, North America and Asia.

Additional information

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