

Media Release

26 April 2019

Axpo Nordic and Asper close long-term PPA in record time

When it comes to concluding a power purchase agreement (PPA), criteria such as price, flexibility, risk management, market knowledge, and last but not least, speed of execution are decisive. Usually, it takes several months from the first contact between the parties until the final signing of the contract. However Axpo Nordic AS, Axpo's subsidiary for the Nordic and Baltic region, and Asper Investment Management recently closed a PPA for a large-scale wind farm in Sweden in less than four weeks – what may be a record in the market for this type of transaction.

Axpo is one of the forerunners in the field of origination services and long-term power purchase agreements for renewable energies on international scale. In recent years, Axpo has been expanding its presence in 28 countries and its business activities in 39 markets all over Europe and in the United States.

Axpo Nordic has been a leading marketer of power from renewable energies in the Nordics since its foundation in 2003, and long-term power supply and purchase agreements are one of its most important growth areas. The recent deal with Asper Investment Management, which was concluded in three weeks and six days, is a testament to Axpo's experience and approach.

Clear focus on the counterparty's needs and requirements

"The process to conclude a long-term PPA can be long and time consuming. Three weeks and six days is the quickest transaction we have ever seen at Asper when it comes to the category of long-term contracts. As an experienced investor in sustainable real assets we have significant experience implementing complex PPA structures and a clear view of the contractual arrangements we require. Early in the process Axpo showed strong appetite for the transaction, flexibility to take into account our needs, and willingness to commit to a tight time frame", says Allister Sykes, Director at Asper Investment Management.

Axpo Nordic was willing to take on the challenge. "For our part, we outlined to Asper what was needed at our end to be able to manage the transaction within the asked-for timeline. It was frictionless working with Asper in this transaction. Since Asper has much experience from the merchant PPA market in the Nordics, we could focus on the important questions", comments Tomas Sjöberg, Managing Director of Axpo Sverige. Daily contact with frank and open dialogue made the process move forward quickly, he adds: "It was surprising how fast we identified and agreed to solutions, often benefiting both parties. Many of these decisions needed to be supported by internal functions such as Risk Management and Axpo Solutions AG's Management Board. This process worked very well within Axpo and we are delighted to have met Asper's requirements for terms and deliverability."

About Axpo: The Axpo Group produces, trades and distributes energy reliably for over 3 million people and several thousand companies in Switzerland and in over 30 countries throughout Europe. Around 4300 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.

About Asper: Asper Investment Management is a specialist investment firm that focuses on private investments in sustainable real assets including renewable power and sustainable heat networks, mainly in north European markets. It is one of the most experienced investors in Nordic power with an active presence since 2008. It serves institutional investors such as pension funds, insurance companies and funds-of-funds.

Additional information

Axpo Holding AG, medien@axpo.com / Asper Investment Management Ltd., info@asper-im.com