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Securing Tomorrow: The Executive Guide to Renewable PPAs in SEE

By OMV Petrom - The Leading Integrated Energy Producer in Southeastern Europe

Executive Summary

In a rapidly shifting energy landscape, large power consumers must navigate volatility, regulatory demands, and ESG pressures - all while staying competitive.

With energy market volatility at unprecedented levels, the ability to manage price fluctuations and supply uncertainties has become a critical business priority.

Power Purchase Agreements (PPAs) are no longer a niche financing tool - they are now a strategic pillar for energy procurement and decarbonization.

This guide offers a clear roadmap for business leaders, CFOs, and energy managers to understand, evaluate, and adopt PPAs that align with their growth strategies.

Backed by OMV Petrom's expertise and deep operational presence in Southeastern Europe, the guide unpacks not just what a PPA is, but how to make it work for your business.

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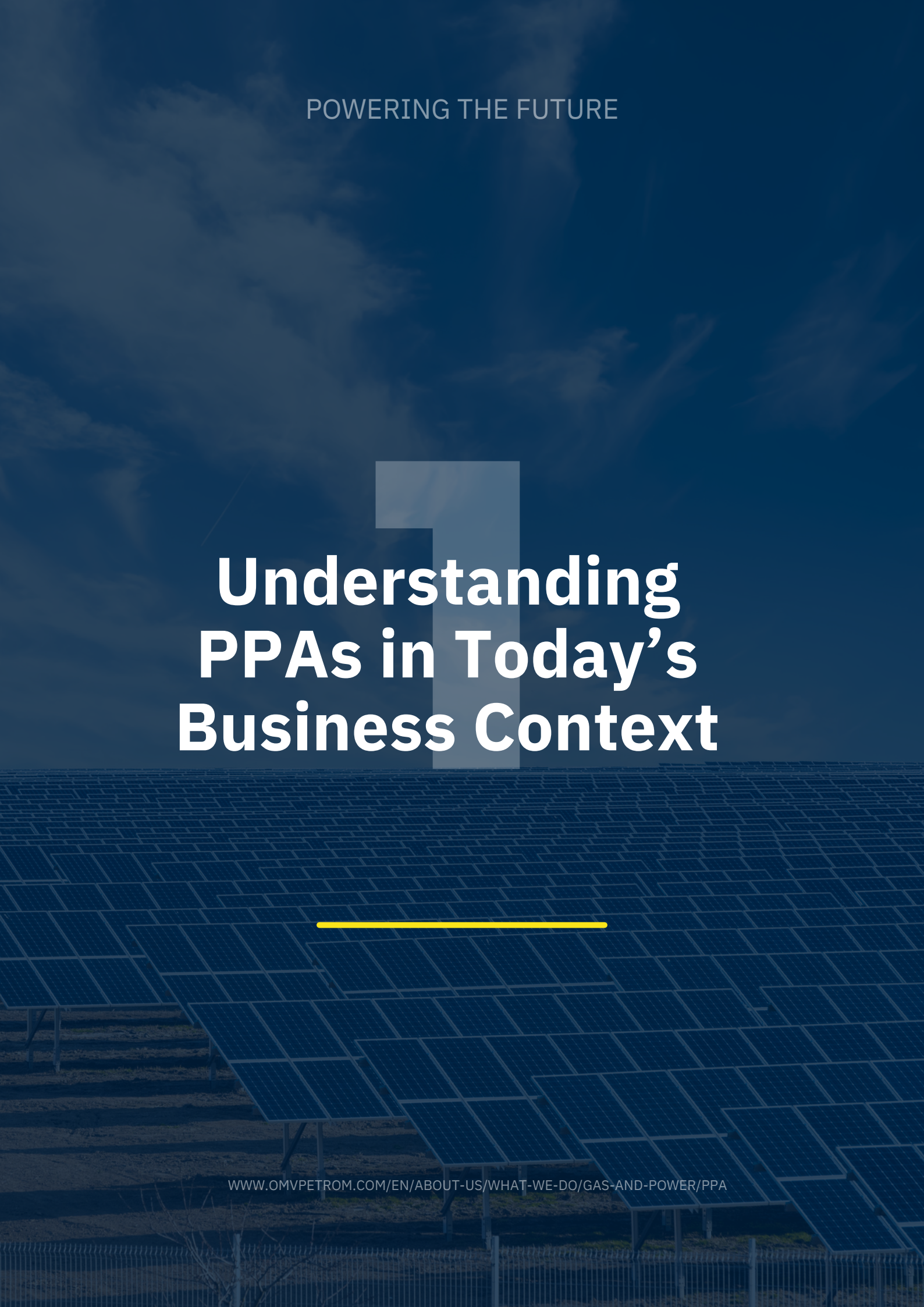

Understanding PPAs in Today's Business Context

WHAT IS A PPA?

A Power Purchase Agreement (PPA) is a long-term bilateral contract between a energy producer and an energy buyer. It sets the terms for the supply of electricity - often at a fixed or indexed price - for a defined period, typically between 5 to 15+ years.

KEY BENEFITS

But PPAs are more than contracts - they are strategic hedging tools, sustainability enablers, and long-term cost stabilizers. At a time when global energy markets experience unprecedented fluctuations, PPAs give large consumers:

- Budgetary stability
- ESG compliance and carbon footprint reduction
- Access to renewable energy without upfront capital
- A long-term hedge against market volatility

70% of corporate energy buyers say long term price stability is their #1 driver for signing a PPA

Source: Bloomberg

> PPAs allow businesses to take control of their energy future.

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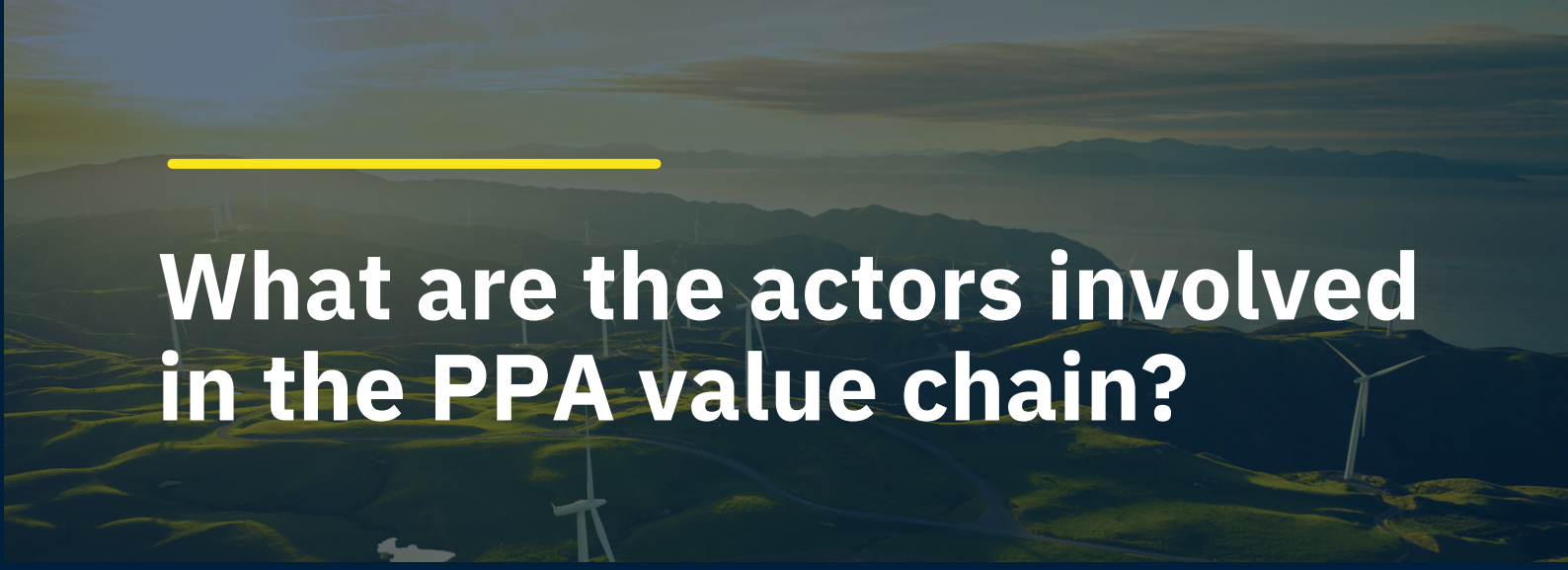


What are the actors involved in the PPA value chain?

PPAs rely on a network of specialized stakeholders who collectively enable the generation, delivery, and financial structuring of renewable electricity. Each actor plays a distinct role in shaping the agreement and ensuring its successful execution. A clear understanding of these roles is essential for navigating the PPA landscape and unlocking its full strategic and operational value.

PRODUCER / PROJECT DEVELOPER

The Producer operates renewable generation assets such as solar or wind farms or gas power plants and sells electricity to corporate buyers through PPAs. As a Project Developer, the same company may also design, finance, and construct new renewable energy facilities.

OMV Petrom's role: We develop and operate power assets across SEE, ensuring a reliable source of electricity for our customers. Our renewables generation portfolio is complemented by the **Brazi power plant**, a facility that provides flexibility and grid stability.

AGGREGATOR

The Aggregator combines electricity from multiple renewable sources to create a smoother and more predictable production profile. By consolidating generation, it helps balance variability and facilitates access to energy markets for both producers and consumers.

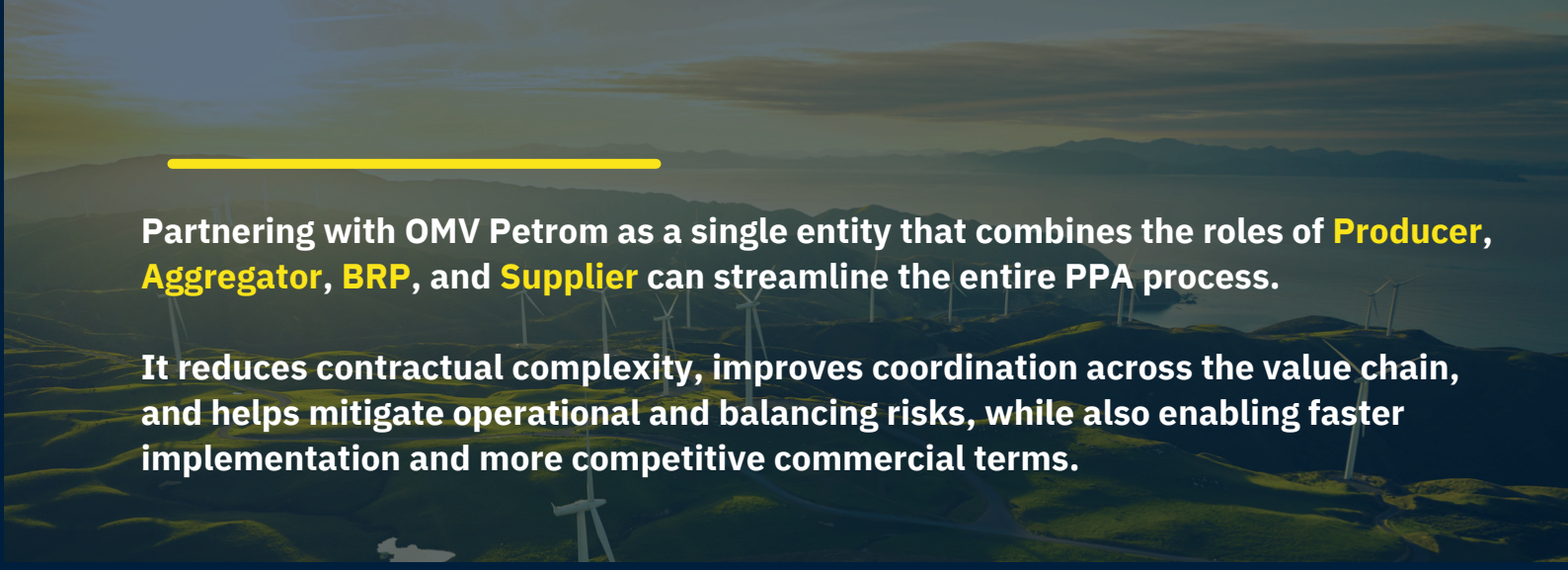
BALANCE RESPONSIBLE PARTY (BRP)

The BRP ensures that electricity generation and consumption remain balanced within the grid at all times. It manages discrepancies between forecasted and actual production, settling imbalances with the grid operator. Depending on the PPA structure, the BRP role may be held by the supplier, producer, or an independent entity.

OMV Petrom's advantage: Through our trading and balancing capabilities, we can assume BRP responsibilities for customers, ensuring stable operations and simplified coordination.

TRANSMISSION SYSTEM OPERATOR (TSO)

The TSO operates manages the national high-voltage transmission grid, ensuring the stability and reliability of the entire energy system. It guarantees the efficient transmission of electricity from producers within the national transmission system, including distribution networks.



Partnering with OMV Petrom as a single entity that combines the roles of Producer, Aggregator, BRP, and Supplier can streamline the entire PPA process.

It reduces contractual complexity, improves coordination across the value chain, and helps mitigate operational and balancing risks, while also enabling faster implementation and more competitive commercial terms.

DISTRIBUTION SYSTEM OPERATOR (DSO)

The DSO connects renewable assets and end users to the local electricity grid and oversees the safe physical delivery of electricity. It also manages metering and data communication related to distributed generation.

FINANCIAL INSTITUTIONS

Banks and investors provide capital to develop renewable projects. A long-term PPA with a credible offtaker significantly improves the bankability of new assets by securing predictable revenues.

SUPPLIER

The Supplier delivers electricity to end customers and manages contractual, billing, and customer service obligations. Within a PPA, the supplier also integrates the contracted renewable energy into its broader supply portfolio.

LEGAL AND ADVISORY PARTNERS

Specialized legal and advisory firms support both producers and consumers in structuring and negotiating PPAs. They help allocate risks appropriately, ensure regulatory compliance, and optimize commercial terms.

OMV Petrom's role: OMV Petrom acts as both energy producer and supplier, offering a single point of contact for generation, profiling, supplying and balancing , thus ensuring continuity, transparency, and ease of implementation.

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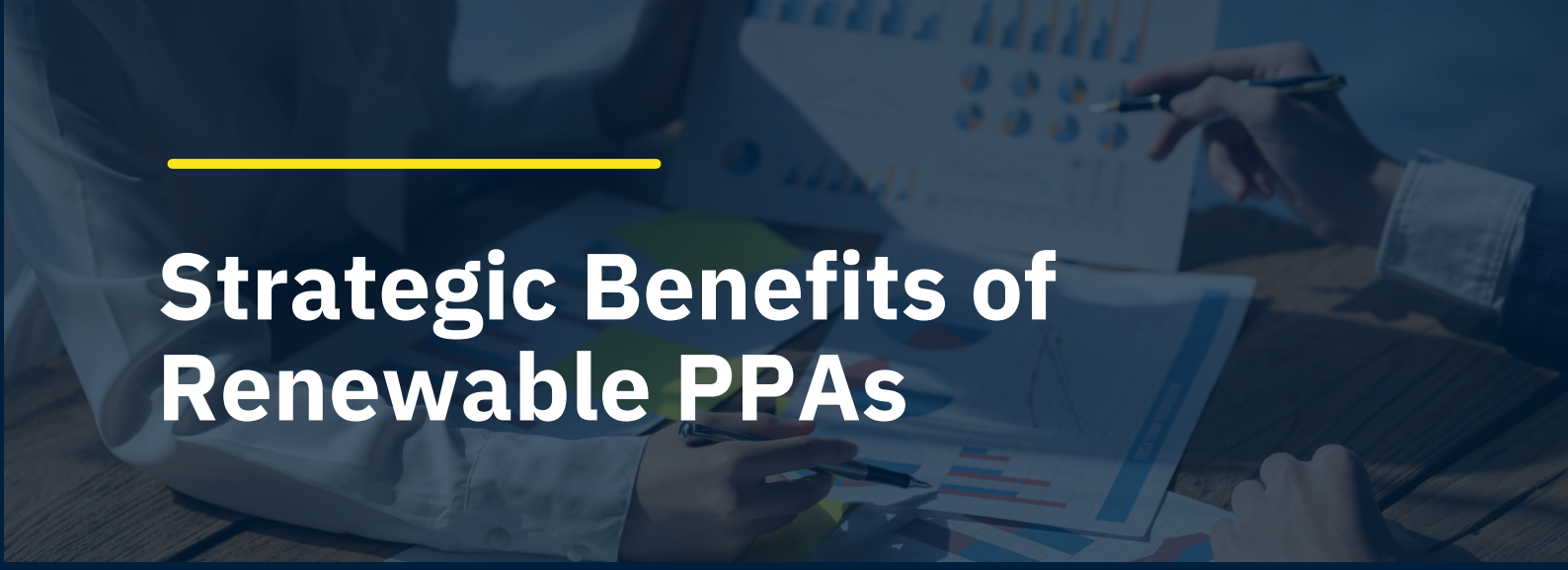

Strategic Benefits of Renewable PPAs

COST CERTAINTY IN VOLATILE MARKETS

Electricity prices are inherently volatile due to geopolitical instability, imbalances in demand-supply, and policy changes.

A long-term PPA locks in a predictable pricing structure - either fixed or indexed - allowing companies to plan with greater financial confidence.

SUSTAINABILITY AND COMPLIANCE

With EU ESG regulations tightening, Scope 2 emissions (purchased electricity) have become a critical focus.

A PPA tied to certified renewable energy, with origin guarantees, helps meet both internal and regulatory sustainability targets.

REPUTATIONAL CAPITAL

Customers, investors, and partners increasingly demand climate transparency.

Being able to claim "Powered by Romanian renewable energy under a long-term PPA" is a competitive differentiator that builds trust and brand equity.

NO CAPITAL INVESTMENT REQUIRED

Offsite and virtual PPAs allow buyers to benefit from clean energy without needing to own or operate generation assets - ideal for companies looking to decarbonize without adding balance sheet exposure.

PPA STRUCTURES - CHOOSING THE RIGHT MODEL

Every company has unique needs based on its load profile, financial planning horizon, and operational structure. Choosing the right model makes an impact:

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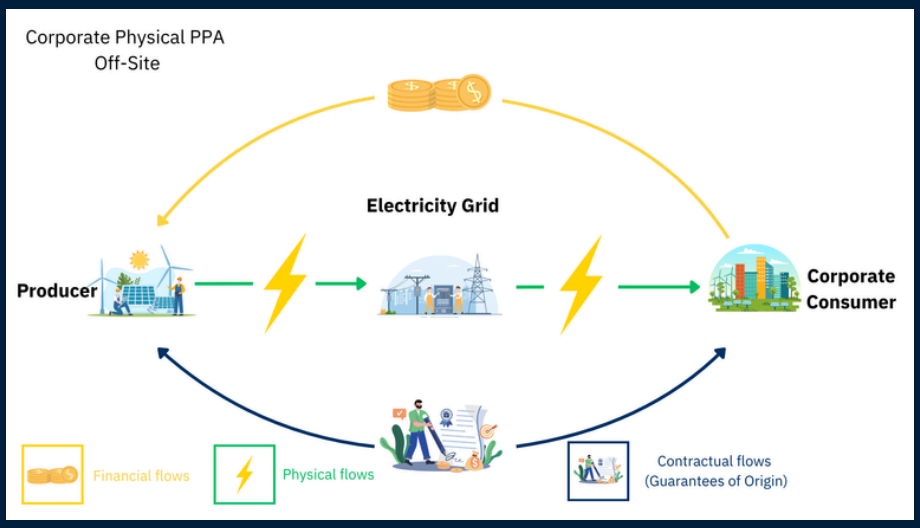
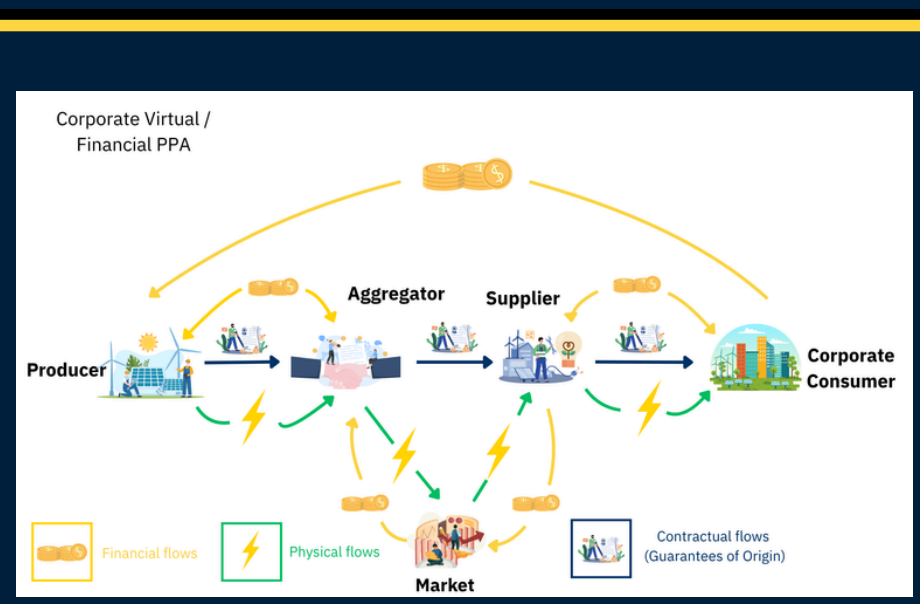


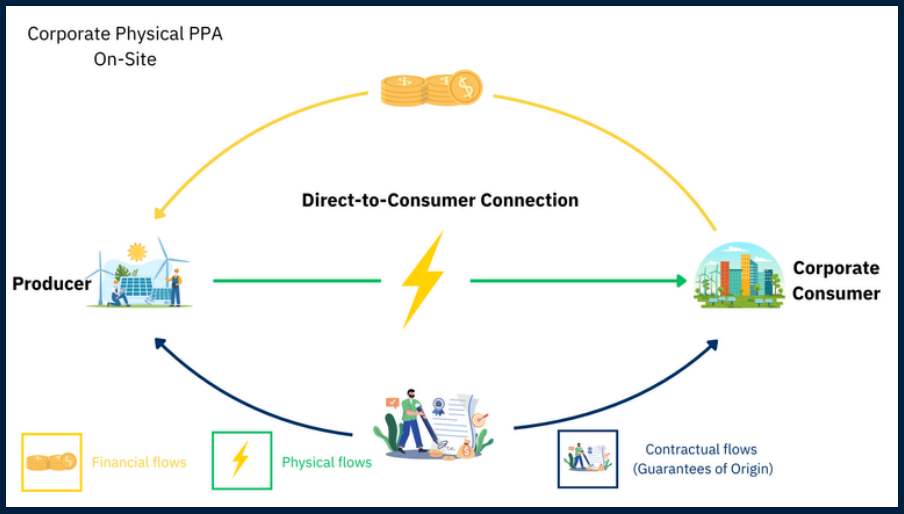
OFFSITE PHYSICAL PPA

- You receive electricity from a renewable facility within the Romanian grid, backed by Guarantees of Origin (GoOs)
- Best for companies with multiple sites or large centralized facilities



VIRTUAL PPA (FINANCIAL)

- You continue purchasing electricity from your current supplier
- OMV Petrom settles the price differential (contract-for-difference) - net from fixed price and day ahead/ spot market price
- Ideal for multinationals or companies with complex supply chains



ONSITE PPA

- A renewable asset (e.g., rooftop solar) is installed at your facility

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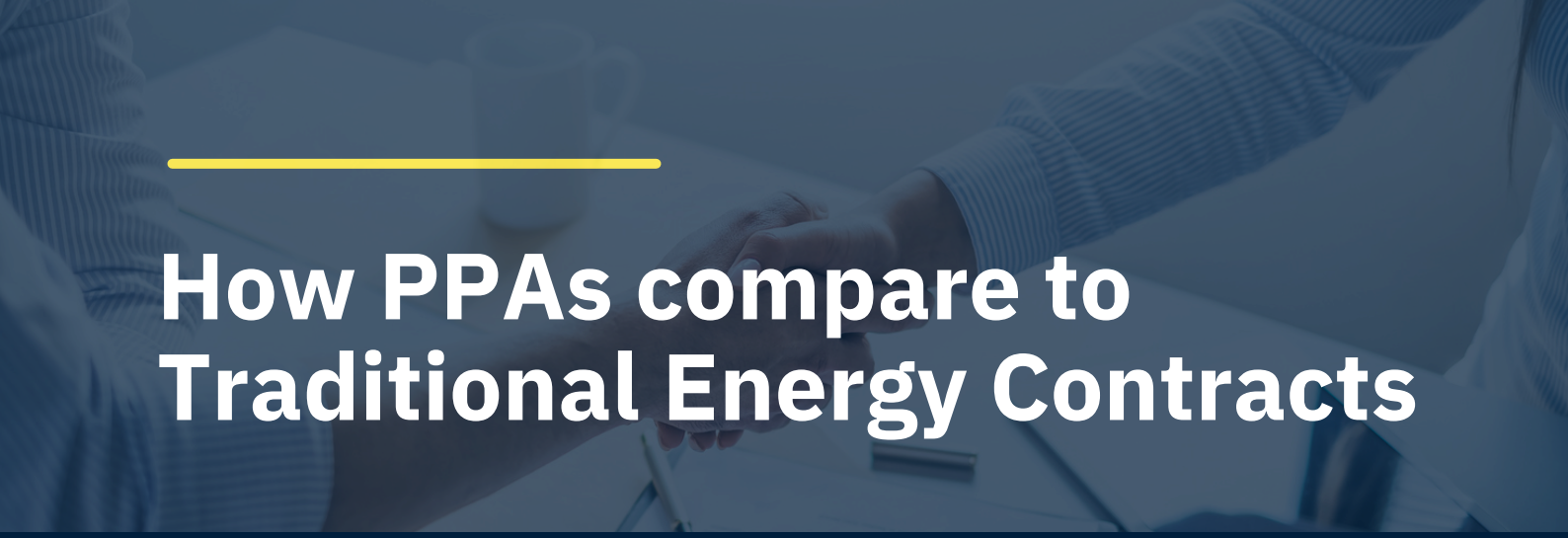

How PPAs compare to Traditional Energy Contracts

Before committing to a long-term PPA, it's essential to understand how it differs from conventional electricity supply contracts. While both provide access to energy, they serve different strategic objectives. Traditional contracts focus on short-term price and supply convenience, whereas PPAs are designed to deliver long-term price stability, transparency, and sustainability impact.

The table below summarizes the main differences between these two approaches.

Dimension	Traditional Energy Supply Contract	Power Purchase Agreement (PPA)
Contract Duration	Typically short-term (1-3 years), with frequent renegotiation.	Long-term (5-20 years), ensuring cost predictability and energy security.
Pricing Mechanism	Indexed or fixed price linked to short market prices, exposed to mid-term volatility.	Fixed, indexed, or hybrid pricing agreed in advance, linked to production cost, allowing stable budgeting.
Market Volatility Exposure	High - prices fluctuate with the wholesale market.	Low to moderate - structure mitigates exposure through long-term hedging.
Source of Electricity	Mix of conventional and renewable generation, often non-traceable.	Can be mixed or 100% renewable, backed by Guarantees of Origin or equivalent certificates.
Capital Requirement	None - electricity is purchased from an existing supplier.	None for offsite or virtual PPAs; optional investment for on-site generation.
Environmental Impact	Limited - does not directly support new renewable capacity.	Contributes to decarbonization and may enable new renewable projects ("additionality").
Flexibility	High - easy to switch suppliers or renegotiate terms.	Lower - long-term commitment but with strong financial and ESG benefits.
Strategic Value	Transactional; focused on short-term cost management.	Strategic; integrates energy procurement with sustainability and ESG goals.

2 Market Context

PPAs are key in the global energy transition, driven by rising demand for renewable energy, corporate sustainability goals, and supportive policies.

A STRUCTURAL SHIFT

The global PPA market is expected to grow from $28.3 billion in 2023 to around $49.1 billion in 2025, potentially exceeding $85.1 billion by 2027.

The renewable energy PPA market is robust with Europe contracting nearly 19GW of new PPA capacity in 2024, primarily driven by Spain and Germany.

In 2025, the global solar PPA segment is projected to reach $18.6 billion, fueled by corporate demand for sustainability and stable energy costs.

Corporate buyers represent over 80% of PPA contracts in key European markets, highlighting their crucial role in driving demand for private renewable energy deals.

Source: Pexapark Market Intelligence, European PPA Market Outlook, 2025

ESG

Corporate ESG mandates and price volatility will continue to guide large consumers toward structured long-term energy contracts

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SEE is rapidly evolving into one of Europe's most dynamic PPA markets in 2025

SEE POTENTIAL

The PPA market in Southeast Europe is growing rapidly in 2025 due to increasing renewable energy capacities and regulatory changes.

Key markets like Romania, Bulgaria, and Greece are at the forefront of this development, attracting interest from corporate offtakers and renewable project developers.

Solar and wind remain the main technologies being contracted under PPA in SEE, reflecting favorable natural resources and ongoing cost reductions.

SEE countries are actively adapting regulations to facilitate private renewable PPAs separate from national power exchanges, making it easier for large buyers to secure green power directly.

Source: Pexapark Market Intelligence, European PPA Market Outlook, 2025

Romania entered the top 10 European PPA markets in 2024 with 514MW of long-term PPA-contracted generation capacity, demonstrating growing maturity.

Source: energyworld

> OMV Petrom, with 2.5 GW pipeline and deep market role, is positioned to lead this shift

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Who Benefits Most from PPAs in Romania and Southeastern Europe?

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ENERGY-INTENSIVE AND CONTINUOUS-LOAD INDUSTRIES

Industries with continuous production or high energy use (e.g., chemicals, fertilizers, paper, textiles) benefit from:

- Baseload or hybrid PPAs (solar + wind)
- Better visibility on carbon cost exposure
- Compliance with EU emissions targets and border carbon adjustments (CBAM)

MULTI-SITE RETAIL, LOGISTICS & REAL ESTATE

Supermarket chains, mall operators, and logistics park developers benefit from:

- Offsite or virtual PPAs that pool consumption across many locations
- Competitive advantage through “green supply” branding
- No CapEx, full ESG reporting compliance

BANKS, FINANCIAL INSTITUTIONS, CORPORATE HQS

Financial and services institutions play a leading role in setting ESG standards. In SEE, many banks and listed companies have:

- Net zero commitments before 2040-2050
- Directives to decarbonize own operations and financed emissions
- Opportunities to showcase sustainability through virtual PPAs

DATA CENTERS, TELECOM & TECH

Across SEE, tech infrastructure is scaling rapidly - with Romania and Greece emerging as data center hubs.

PPAs help these businesses:

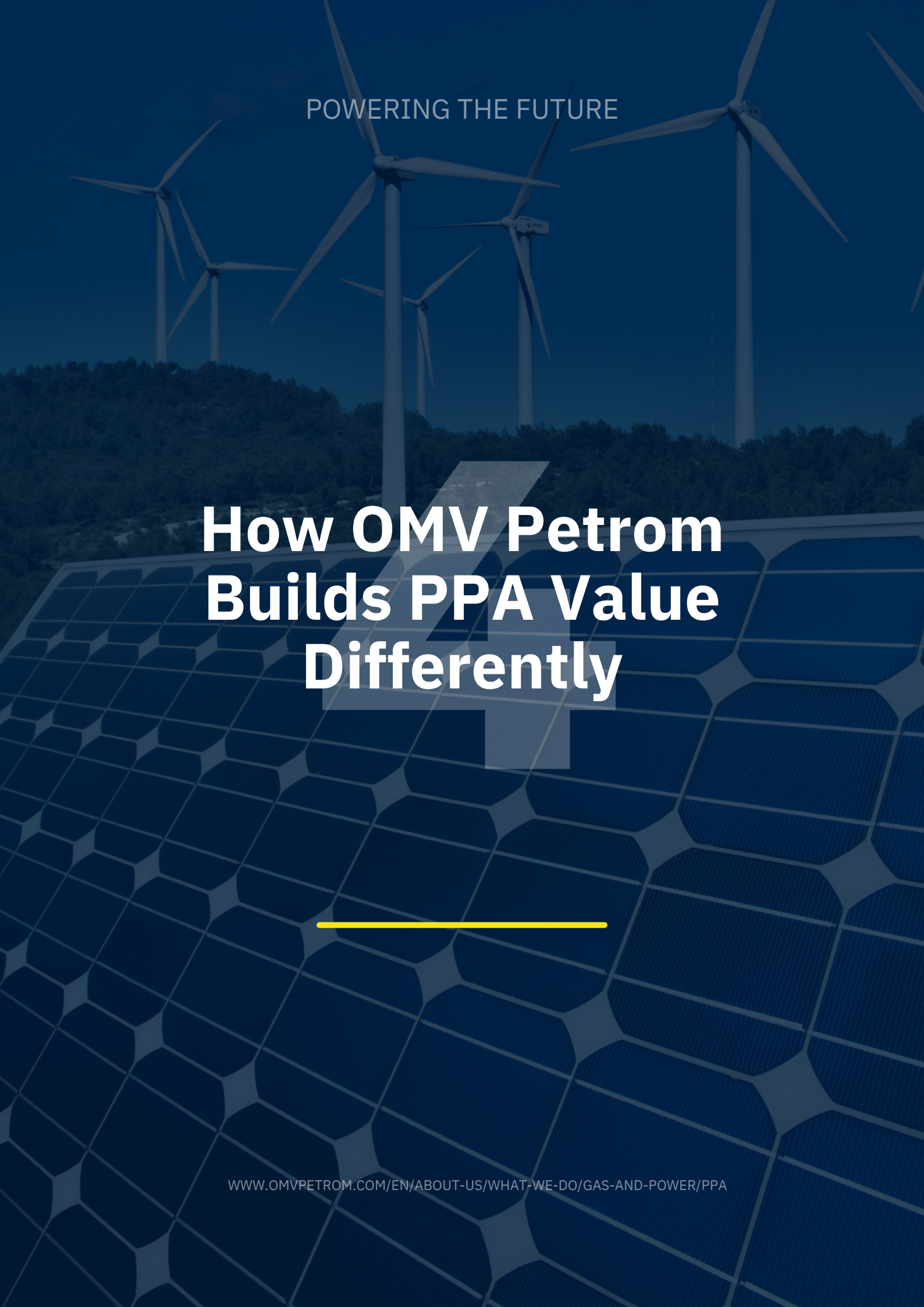
- Achieve carbon-free electricity goals (Scope 2)
- Access renewable energy with certified origin tracking
- Improve ESG scores for investor and regulatory disclosure

LARGE ENERGY CONSUMERS

In Romania and SEE, companies using over 500 MWh/year are prime candidates for PPAs due to energy being a significant operating cost. Securing long-term energy supply offers budget stability and margin protection.

Typical sectors include:

- Automotive and parts manufacturing
- Cement, glass, and building materials
- Steel, aluminum, and metallurgy
- Food and beverage processing
- Logistics and cold storage



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How OMV Petrom Builds PPA Value Differently

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OMV Petrom goes beyond traditional renewable energy offerings.

Here’s what sets us apart:

By combining our own flexible power plant with renewable sources, we deliver a stable, reliable energy supply - day and night.

TAILORED TO YOUR BUSINESS

We design PPAs that match your specific consumption profile, helping you achieve your sustainability goals without compromising on reliability

FLEXIBLE CONTRACT TERMS

From 3 to 15+ years, indexed or fixed pricing, custom volume profiles

MASSIVE RENEWABLE PIPELINE

2.5 GW targeted capacity by 2030 - solar and wind

DEDICATED EXPERT TEAMS

Local and regional advisors, with real-time insights into market pricing and regulation

ONE-STOP SOLUTION

As both a power producer and trader, OMV Petrom manages everything - from generation to delivery - so you have a single, trusted partner for all your energy needs.

24/7 RELIABILITY

Our unique mix of renewables and own power plant guarantees a consistent power supply, even when the sun isn’t shining or the wind isn’t blowing.

LEGACY POWER PRODUCER

OMV Petrom’s Brazi power plant contributed around 10% of Romania’s total generation in 2024.

Our ability to balance the market with our gas power plant means you get a seamless, dependable PPA tailored to your business.

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Preparing Your Organization for a PPA

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A PPA is a business transformation project, not just a procurement agreement.

Today's PPAs can be tailored to your business needs, offering a mix of pricing structures - such as a combination of fixed price for a portion of your consumption (e.g., 70%) and market-based pricing (e.g., day-ahead market price) for the remainder (e.g., 30%). This flexible approach allows you to benefit from both price stability and potential market opportunities.

KEY STEPS TO PREPARE

Understand Your Consumption Profile

- Analyze your company's energy usage patterns. Knowing your baseload and variable demand will help you determine the right mix of fixed and market-based pricing in your PPA.

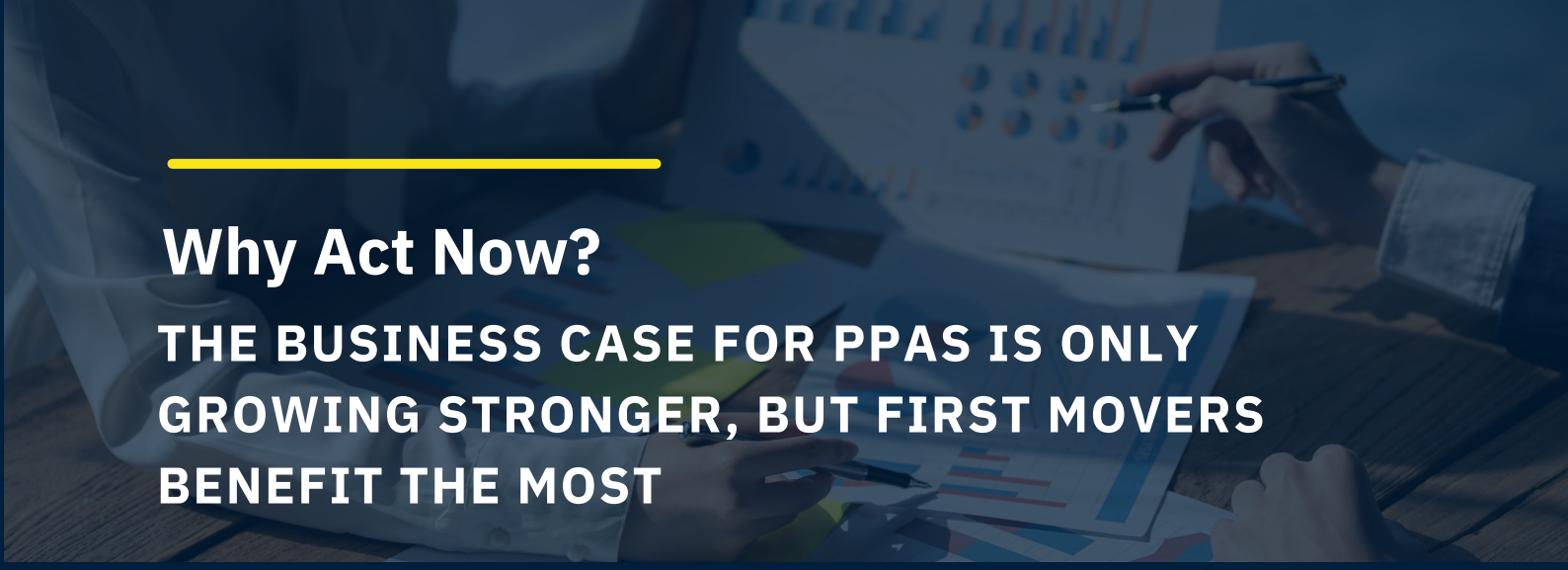
Define Your Cost Predictability Needs

- PPAs are not just about hedging against price spikes - they're about achieving predictability in your energy costs.
- Decide how much price certainty your business requires versus how much exposure to market prices you are comfortable with.

Engage Internal Stakeholders

- Involve your finance, procurement, and sustainability teams early in the process.
- Align on your company's risk appetite and sustainability goals to ensure the PPA structure supports your broader business strategy.
- Explore different PPA pricing models - fixed index full volumes or partials volumes | Full market-based pricing. Each option offers a different balance of cost predictability and market participation.

> Our team will support you every step of the way - from feasibility through final negotiation.



Why Act Now?

THE BUSINESS CASE FOR PPAS IS ONLY GROWING STRONGER, BUT FIRST MOVERS BENEFIT THE MOST

The energy market is experiencing unprecedented volatility - and all signs point to continued uncertainty in the years ahead. Prices can swing dramatically due to geopolitical events, supply and demand imbalances, and the ongoing energy transition. Waiting to secure your energy supply could expose your business to unpredictable costs and risk.

Secure Your Future Costs

By entering into a Power Purchase Agreement now, you can lock in a significant portion of your energy costs, protecting your business from future price spikes and market turbulence. A well-structured PPA provides cost predictability and stability, helping you plan your budget with confidence.

Stay Ahead of the Curve

Acting now also positions your company as a leader in sustainability and energy management. Early movers often benefit from more attractive contract terms and a wider choice of solutions.

Don’t Wait for Certainty - Shape It

The best time to secure your energy future is before the next wave of market volatility. Partner with OMV Petrom to design a PPA that fits your needs and gives your business the stability it deserves.

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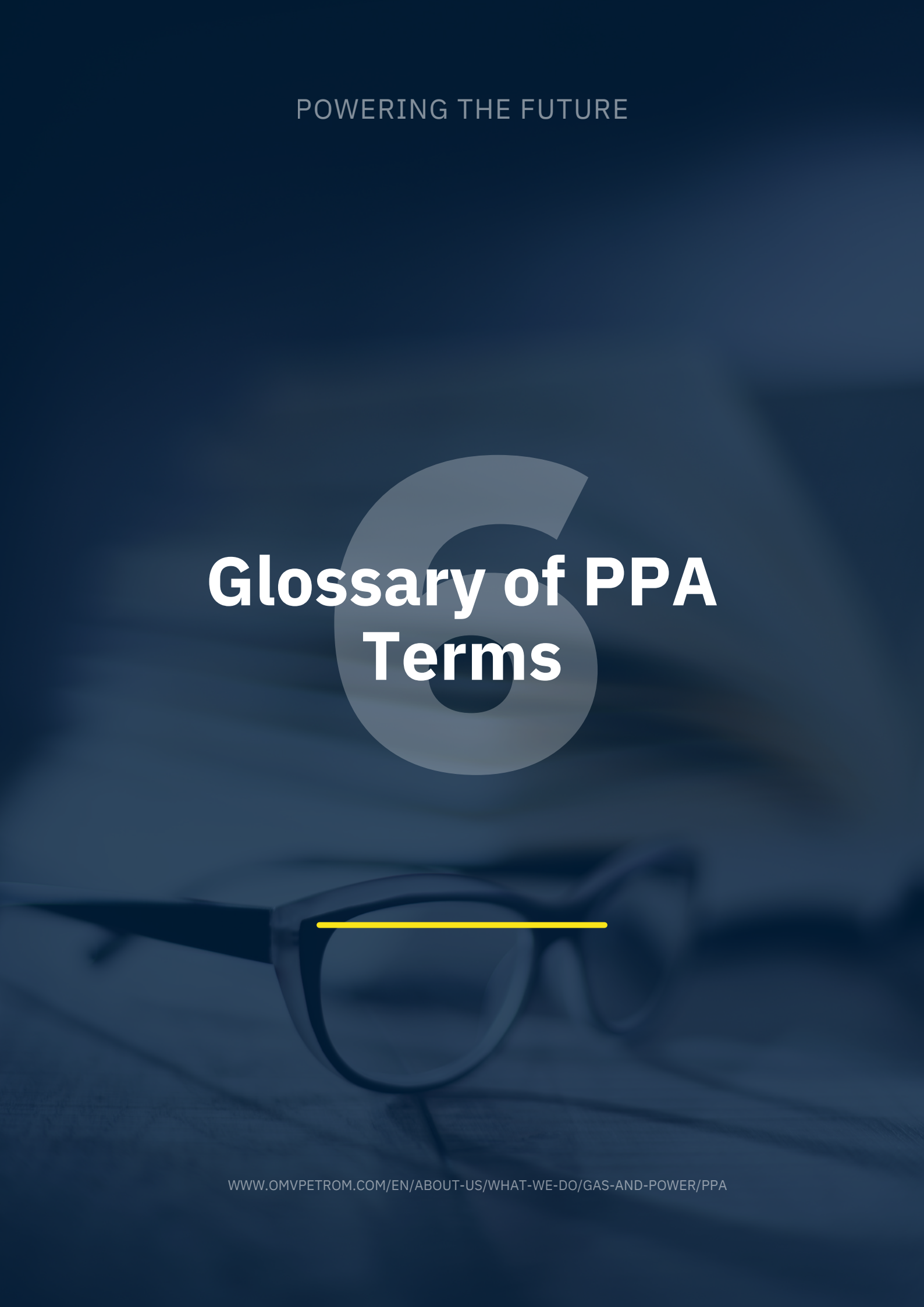
Glossary of PPA Terms



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As the energy landscape evolves and PPAs become a strategic pillar for energy procurement and decarbonization, understanding the terminology is essential for making informed decisions. This glossary provides clear definitions of key terms and concepts commonly used in the context of PPAs, renewable energy, and energy markets in Southeastern Europe.

Aggregator	entity that pools the electricity demand or generation of multiple consumers or producers to participate collectively in the energy market
Balance Responsible Party (BRP)	entity ensuring that its contracted electricity supply or consumption matches actual usage or delivery, and is financially responsible for any imbalances, helping maintain grid stability
Distribution system Operator (DSO)	entity that manages the local medium- and low-voltage electricity network, ensuring the physical delivery of electricity to consumers
Electricity Supplier	company that provides electricity to consumers, either by generating it or purchasing it from producers, and delivers it through the grid; it also manages billing and regulatory compliance
ESG (Environmental, Social, and Governance	a set of non-financial criteria used to assess the sustainability and ethical impact of a company's operations
Fixed price	contract structure where the buyer pays a set, unchanging price per unit of electricity for the duration of the PPA, providing cost certainty
Floating price	pricing mechanism in which the electricity price is not fixed but varies according to a market index or spot market prices, exposing the buyer to market fluctuations

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DID YOU KNOW THAT... ?

Corporate PPAs helped avoid more than **50 million tons of CO_2 emissions globally** in 2023, roughly equivalent to taking **10 million cars off the road for a year.**

Source: BloombergNEF - Corporate Clean Energy Buying Report 2024

Green certificates	tradable documents that certify a certain amount of electricity has been generated from renewable sources, used to prove compliance with renewable energy targets
Guarantees of Origin	official certificates that verify the electricity supplied under a PPA comes from renewable sources, enabling buyers to claim green energy use
Indexed price	subcategory of floating price, where the electricity price is explicitly linked to a defined market index (most commonly the day-ahead market price - DAM), based on a transparent calculation formula
Pay-as-nominated (pay-as-forecasted)	settlement method where the buyer pays for the amount of electricity they have forecasted or nominated in advance, regardless of actual production
Pay-as-produced	settlement method where the buyer pays for the actual amount of electricity generated and delivered by the renewable asset
Producer	entity (often a renewable energy project owner) that generates and sells electricity under the PPA
Transmission System Operator (TSO)	organization responsible for operating, maintaining, and developing the high-voltage electricity transmission network, ensuring reliable power delivery across regions

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