WHAT SPARC IS

Power production changes. PPAs don’t have to.

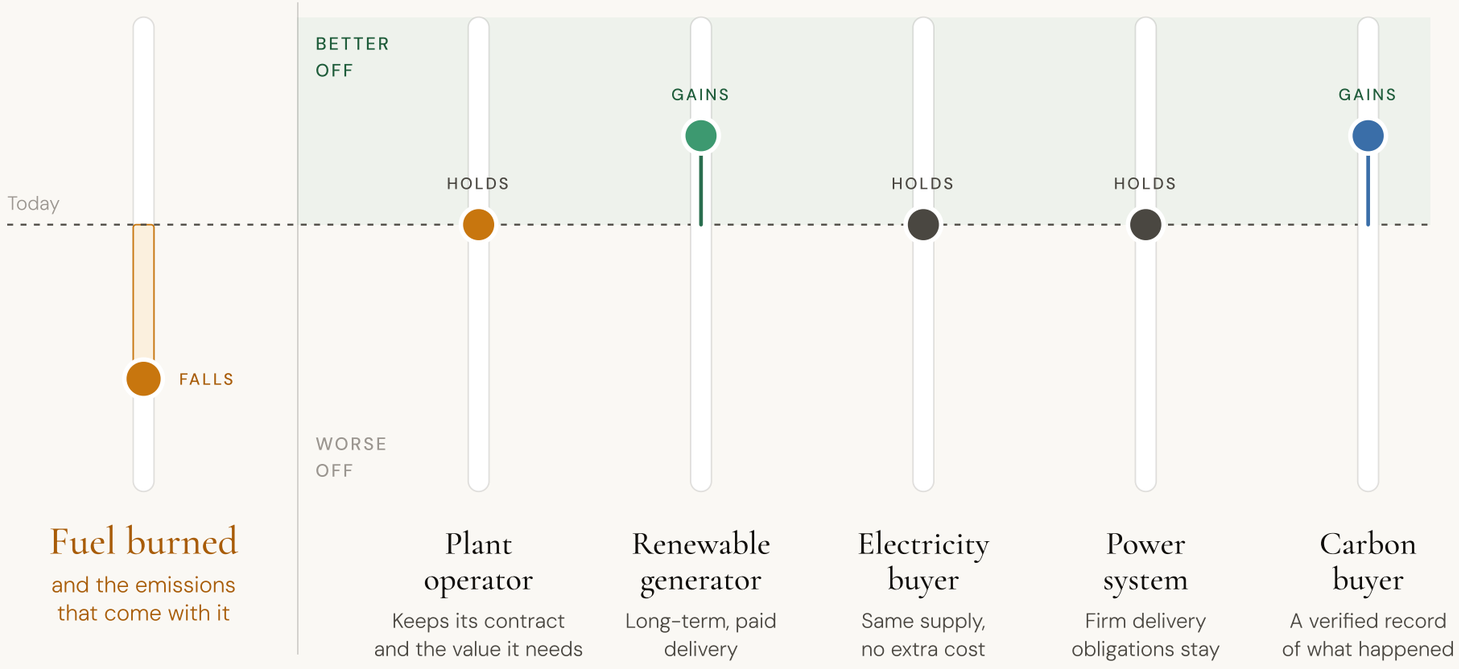
A business case for less fossil power, under the contracts that already exist.

WHAT SPARC IS

Less fossil fuel burned. Nobody worse off.

SPARC is a market mechanism that reduces the output of fossil plants, such as coal plants, under the contracts they already have.

Every party keeps its position or improves it. The only thing that goes down is the fuel burned, and the emissions with it.

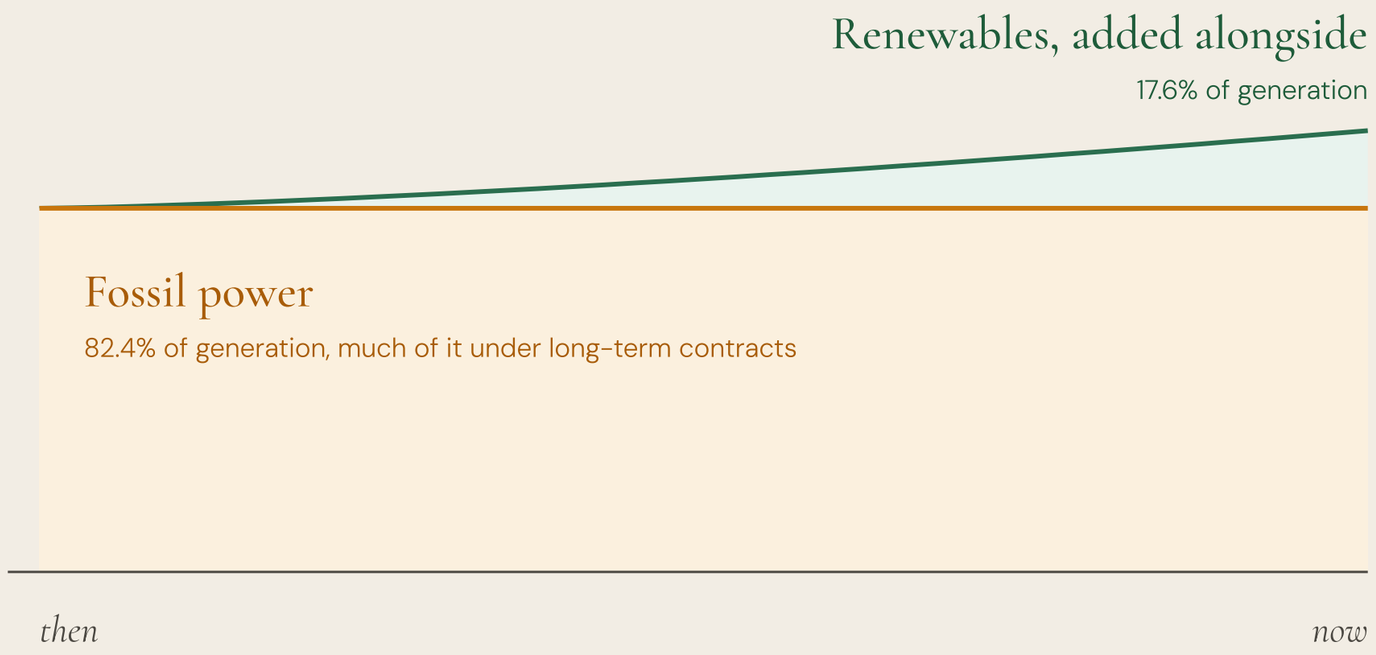


THE PROBLEM

Fossil power keeps running, and so do its emissions

In many countries, coal and gas plants still supply much of the electricity, often under contracts that run for decades.

Clean power has been added alongside them for years, with real progress. Yet much of the market stays tied to those fossil contracts, and the output under them keeps running. Cutting those emissions has mostly meant one thing: closing coal plants early.



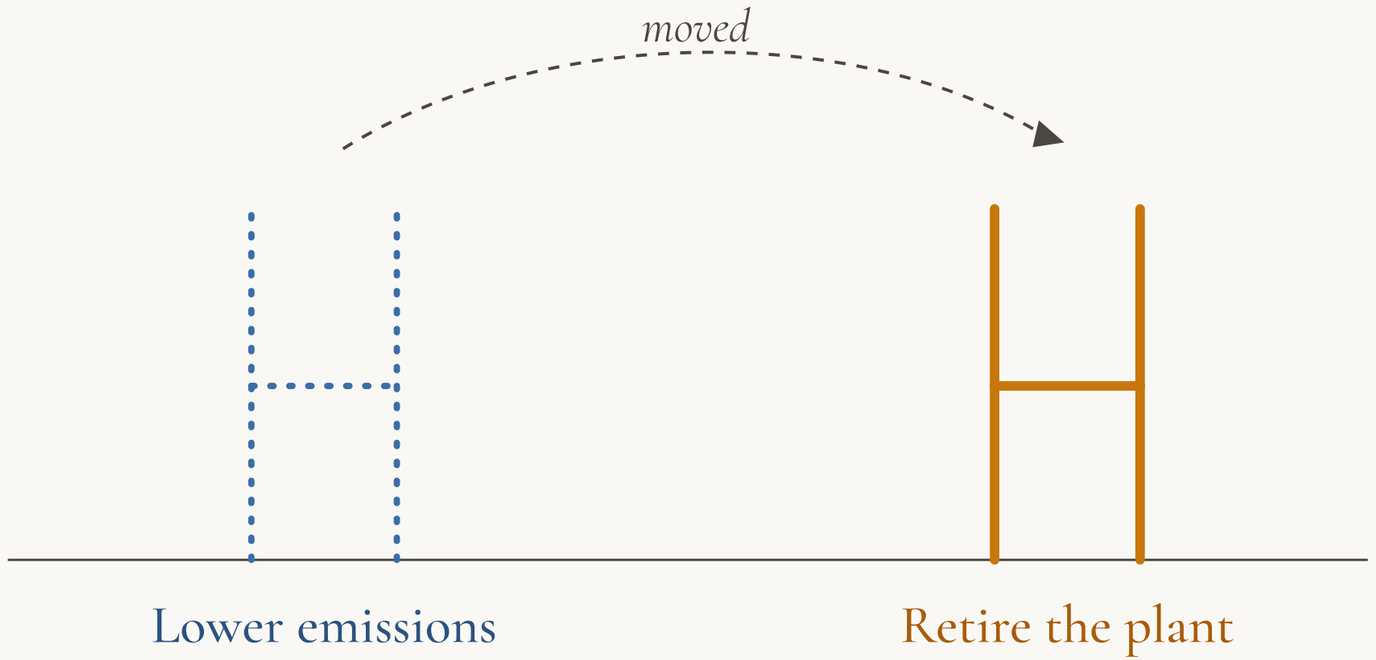
Thailand, domestic electricity generation in 2024: 169.9 TWh fossil, 36.2 TWh renewable. Source: Worldometer. Earlier years are illustrative.

BACK TO THE GOAL

At some point, we moved the goalpost

Closing plants early was only ever a means. The aim was lower emissions. Over time, the closure itself became the measure of success.

That turned a goal we can work on today into one large deal per plant, with buyout capital and years of negotiation before the first tonne is avoided. SPARC brings the target back to emissions, at the plants that are running now.



THE REAL BARRIER

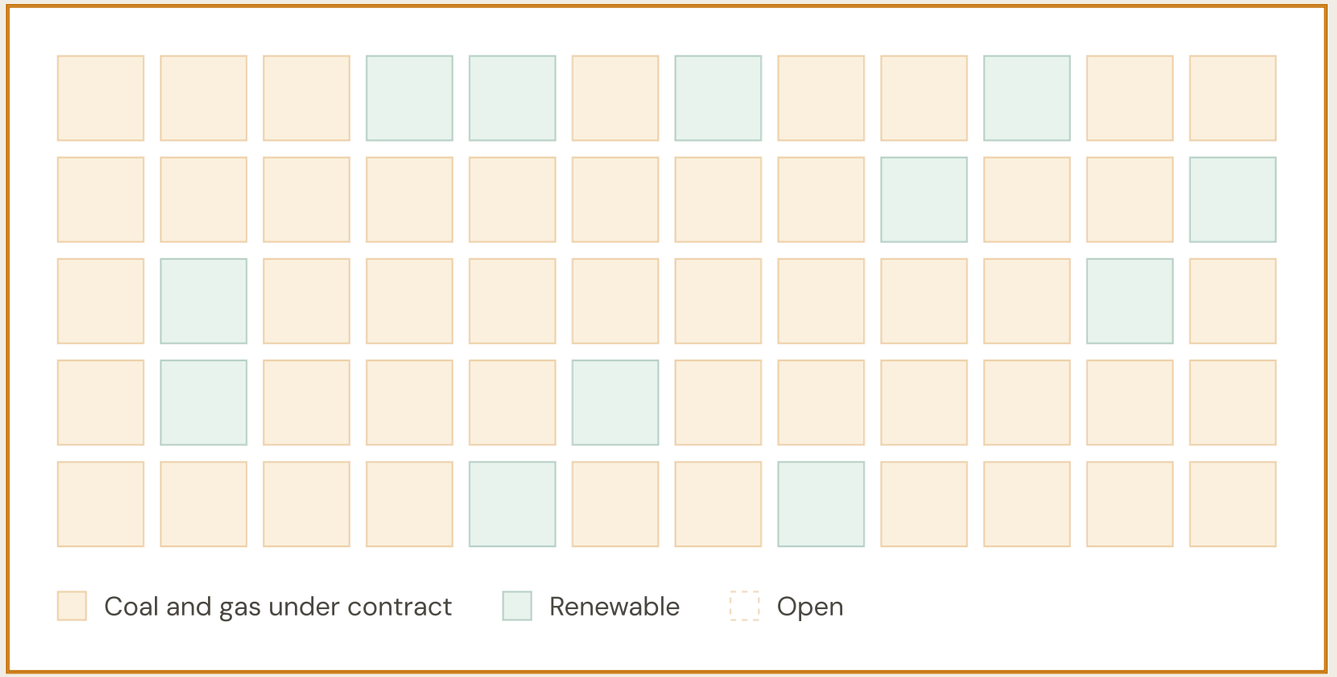
Clean power has matured. Fossil contracts still hold the market.

Solar and storage are now large, bankable industries that can often generate power more cheaply than coal or gas. Yet in many countries, much of the electricity market is committed to fossil plants under contracts that run for decades.

Building alongside is not enough. New clean capacity can be added next to fossil plants while the output under those contracts keeps running.

1 Renewables added alongside coal and gas

2 Grids are physically and contractually full



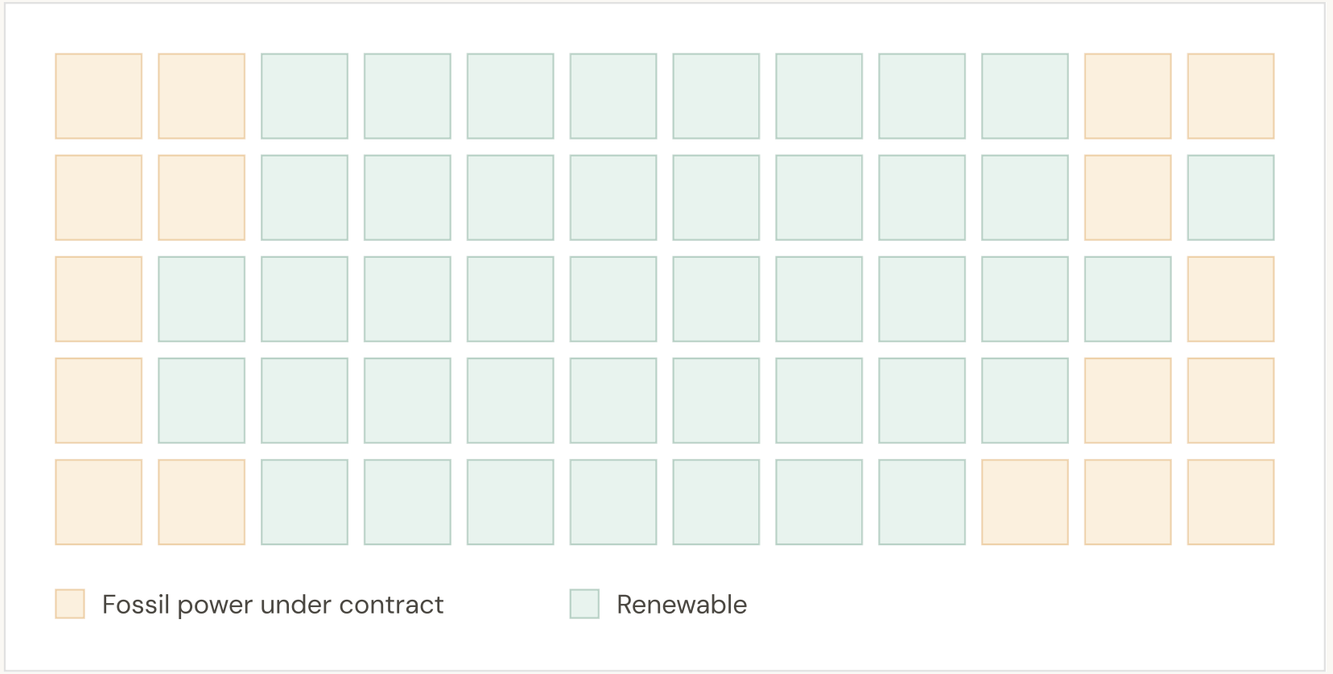
INSIDE THE FOSSIL CONTRACT

Green the fossil contract from the inside out

A renewable generator delivers an agreed share of the electricity under an existing fossil power contract, such as a coal PPA. The contract stays in force, the plant operator remains part of it, and the fossil plant generates less.

Nothing has to be cancelled or bought out first.

3 SPARC greening PPA contracts

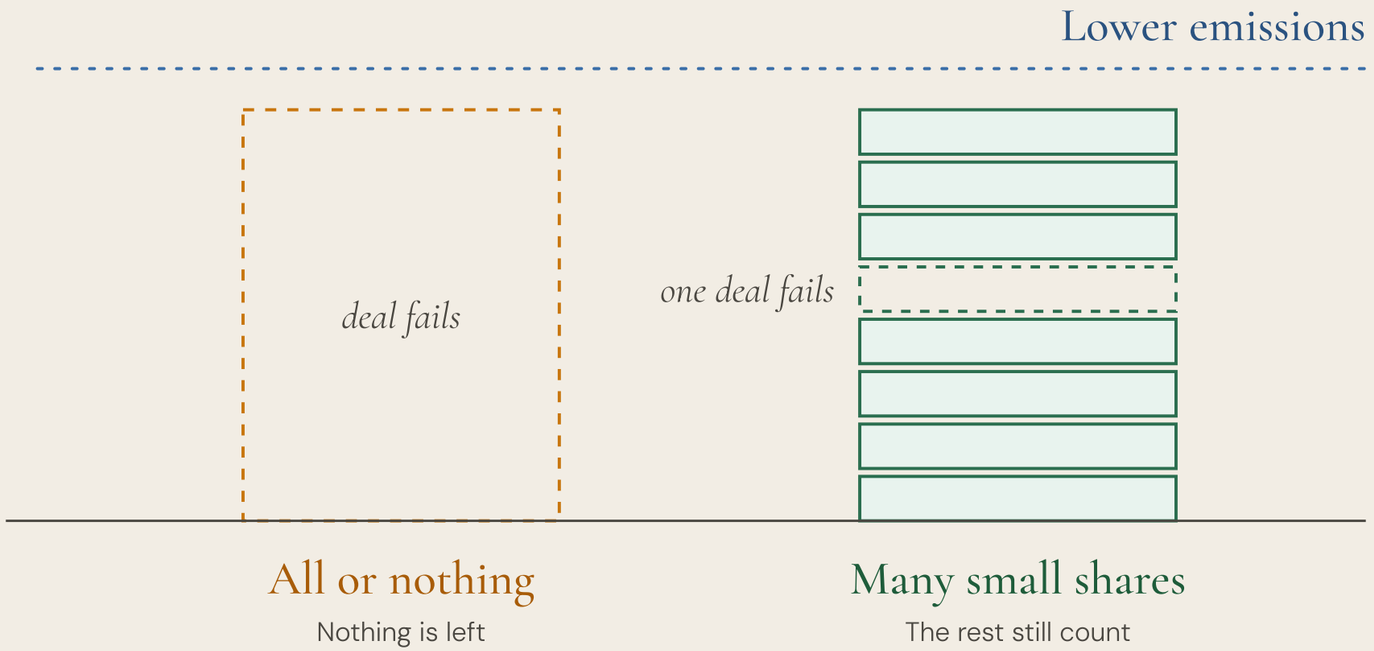


SMALL SHARES, MANY PLANTS

Start small, then grow

Early coal retirement efforts failed because they were binary in nature. SPARC is gradual: a small first share is easier to agree to than all or nothing.

Small shares across many plants add up, and each can start without waiting for a closure. Workers, communities and operators get time to adjust along the way.



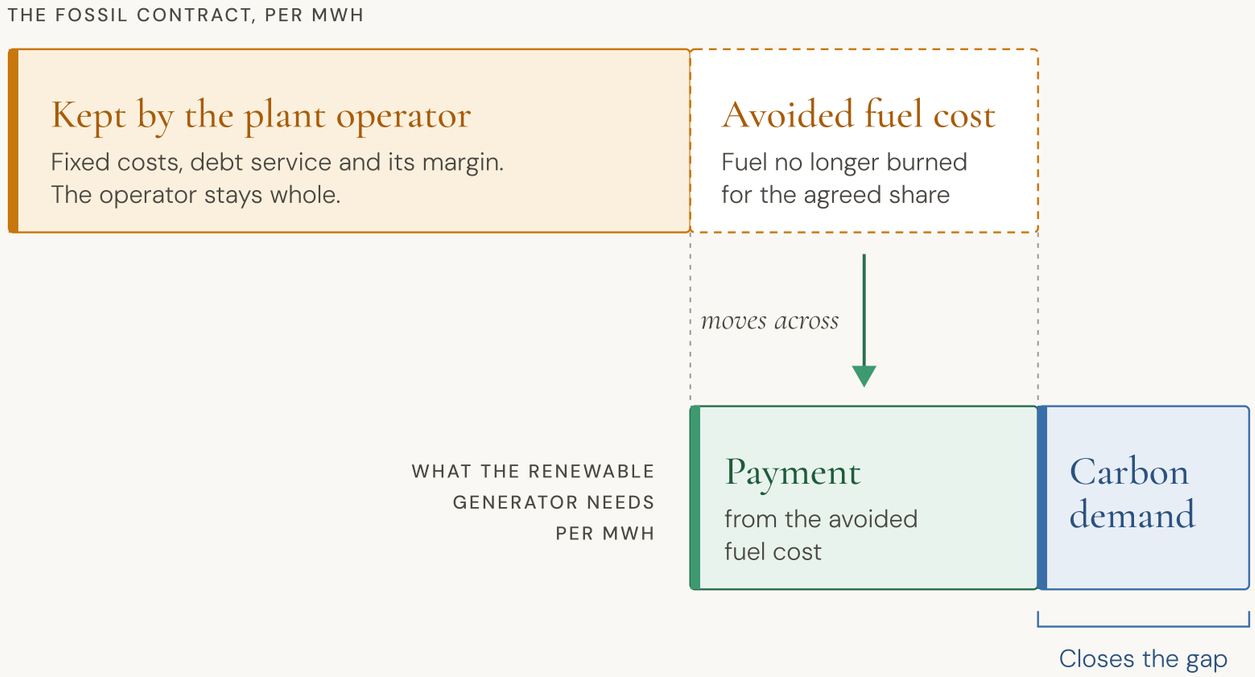
DEAL ECONOMICS

Designed so the economics work

Each party has a commercial reason to take part. The plant operator keeps the cash flows it needs. Fuel no longer burned for the agreed share is a cost avoided, and that money helps pay the renewable generator.

Where a gap remains, carbon demand can close it.

> No public buyout is needed, and the deal is designed not to add cost for electricity customers.



Proportions are illustrative.

THE CARBON RECORD

An ARC is a receipt, not a promise

The plant's emission right is on record before delivery starts. Once delivery is metered and its emissions are verified, the part of that right that was not used is issued as ARCs.

No counterfactual is needed. The reference point is the emission right already recorded with the contract, not an estimate of what might have happened otherwise.

> Buyers can commit finance in advance. The ARC itself exists only after verification.

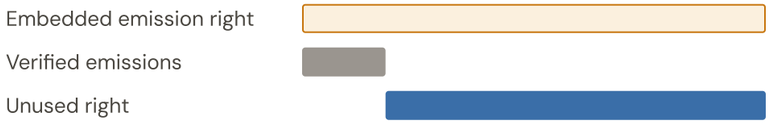
REGISTRY RECORD

Avoided right to emit carbon

01 **Emission right recorded** — BEFORE DELIVERY
The fossil plant's embedded emission right is registered with the stream

02 **Electricity delivered and metered** — AT DELIVERY
One SPARC is created for each MWh delivered

03 **Emissions of that delivery verified** — AFTER DELIVERY
Compared with the right already on record



Unused right issued as ARCs
No forecast or modeled counterfactual enters the record



ONE EXISTING FOSSIL POWER CONTRACT



Green, from the *inside out.*