WHY SPARC

Cutting legacy emissions without breaking the grid or contracts

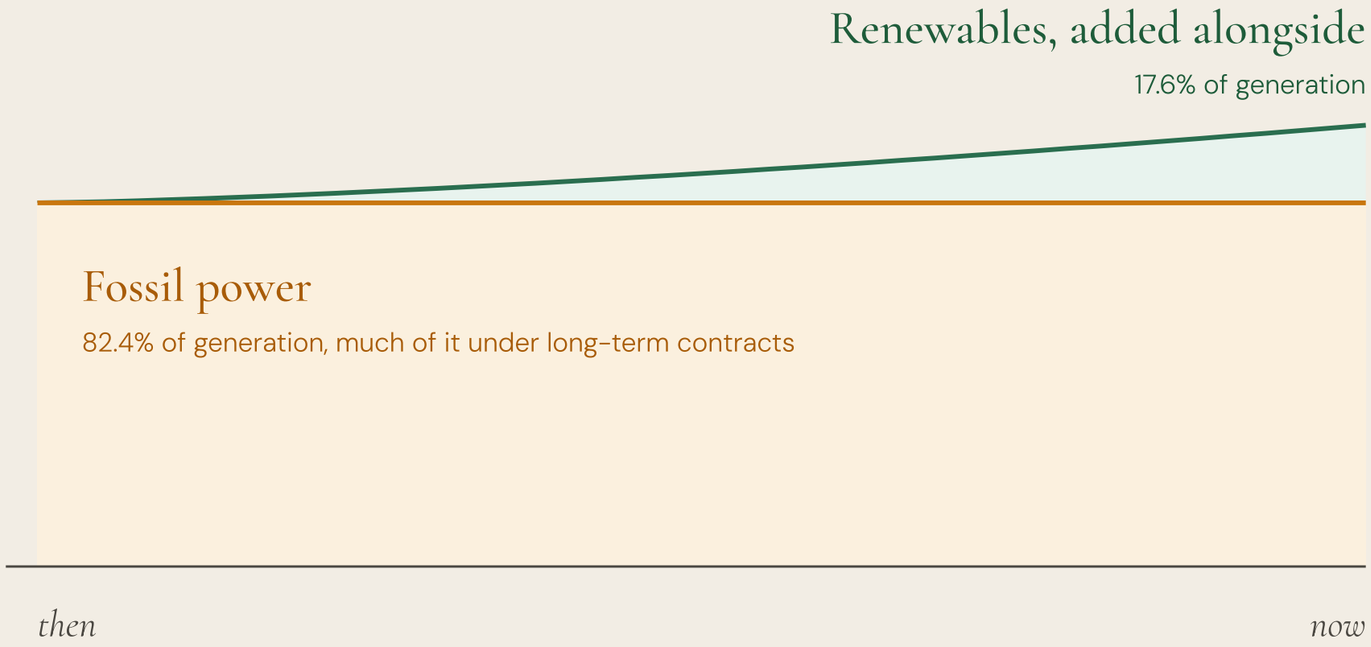
No policy or instrument does this well today. SPARC does it gradually, and on evidence.

THE MANDATE

Power sectors must cut emissions they have already contracted for

Governments have committed to lower emissions, and the power sector carries much of that load. Most of its emissions come from fossil plants that already exist, many of them under contracts that run for decades.

Those cuts have to come without risking a reliable grid or raising the cost of electricity. New renewables help, but they are added alongside the fossil fleet, not instead of it.



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

THE CONSTRAINT

Existing rights have to be respected

A fossil power contract gives its plant rights for decades: to generate, to be paid and, with that, to emit. Investors financed the plant on those rights.

Policy can change direction. It cannot simply take those rights away without legal disputes, higher costs for electricity customers and a weaker investment climate.

ONE TYPICAL POWER CONTRACT, 25 YEARS



Generate

The plant's right to supply its contracted power

Be paid

The payment terms agreed for that power

Emit

The emissions that come with generating it

Illustrative contract. Many fossil plants in Southeast Asia were built in the past fifteen years and are still recovering their capital.

THE TOOLS TODAY

Each tool solves part of the problem

Governments need four things at once: lower emissions from the plants already running, a reliable grid, affordable electricity and respect for existing contracts.

Each tool in use today delivers some of these. None was built to deliver all four.

	Cuts emissions from plants already running	Keeps the grid reliable	Keeps electricity affordable	Respects existing contracts
New renewable tenders	○	●	○	●
Early-retirement buyouts	◐	◐	○	●
Carbon pricing	◐	●	◐	◐
SPARC	●	●	●	●

● Does this ◐ In part ○ Does not

Assessment by SPARC Labs, for tools as commonly applied to contracted fossil plants.

THE MAIN ROUTE

Buyouts ask for all or nothing

Closing plants early has been the main route. Even with real money and effort behind it, the flagship deal did not close.

A buyout must pay for every remaining contract year, up front, before a single tonne is avoided.

DECEMBER 2023

Deal announced

Cirebon-1, Indonesia, 660 MW

2024 TO 2025

Three years of talks

Operator, government, lenders and carbon buyers must all agree

DECEMBER 2025

Plan dropped

No plant in the $21.4 billion programme has closed

Sources: Reuters, 3 December 2023; The Jakarta Post, 11 December 2025; SPARC Labs research notes.

THE DIFFERENCE

Ten times smaller to start, with no buyout and no broken contract

SPARC works inside the contract instead of ending it. It starts with one share of one contract and grows step by step, instead of waiting for one deal on the whole plant.

Payment follows delivery, and every carbon claim rests on metered MWh. The evidence comes first, not a model of what might happen.

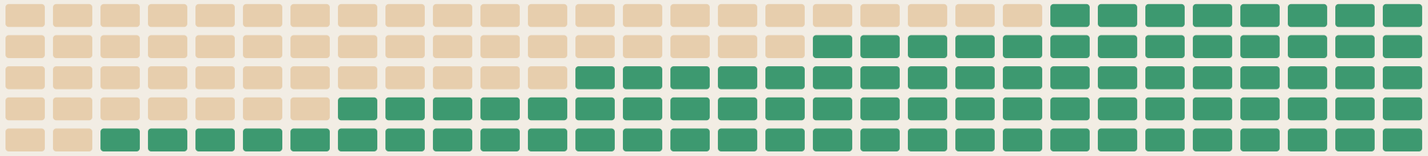
> SPARC does not replace retirement programmes. It makes their final step smaller and cheaper.

Buying out the plant



Nothing changes until one deal closes the plant, if it closes.

SPARC



Shares turn green from the first year and keep growing.

BUYOUT	SPARC
All at once	● Step by step
Paid up front	● Paid on delivery
Based on a forecast	● Based on evidence

No buyout	Intact	1 MWh
The contract is not bought out. Payment follows delivery.	Existing contracts and rights stay in force.	The unit SPARC works in. Start small, then grow.

Green, from the *inside out.*