

IMPACT OF THE ELECTRICITY GENERATOR LEVY ON NEW ONSHORE WIND ECONOMICS



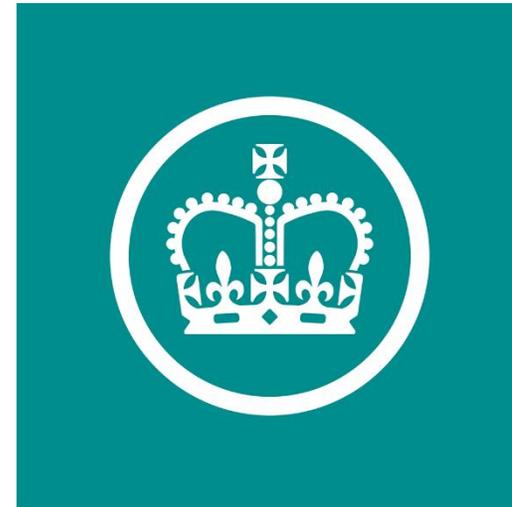
ONSHORE WIND ECONIMICS

- 60% INCREASE IN TURBINE CAPEX
- 40% INCREASE IN BOP CAPEX
- RPI LINKED OPEX COSTS
- 5% INCREASE IN DEBT FINANCING COSTS
- 10% INCREASE IN COST OF EQUITY
- X% INCREASE IN PPA DISCOUNTS



THE ELECTRICITY GENERATOR LEVY

- LOW CARBON GENERATORS ONLY
- 45% TAX PAYABLE ON REVENUES ABOVE £75/MWh
- 1 JANUARY 2023 - 31 MARCH 2028
- PRICE INDEXATION APPLIED FROM 1 APRIL 2024
- £10M ALLOWANCE PER GROUP
- 50GWh MINIMUM GENERATION FOR ELIGIBILITY



THE FUTURE

- £83/MWh CALCULATED BREAK-EVEN PRICE
- ELECTRICITY GENERATOR LEVY TAXING LOSSES AT 70%
- NO INCREASE IN CfD ADMINISTRATIVE STRIKE PRICE
- NO INVESTMENT ALLOWANCE
- INFLATION REDUCTION ACT & GREEN DEAL INDUSTRIAL PLAN
- 2022/2023 UK WIND INVESTMENT HIATUS

