

# Joint Press News

May 10, 2022

## **BASF and Brookfield signed a term sheet for the 25-year renewable electricity supply to the Zhanjiang Verbund site**

BASF and Brookfield have concluded a term sheet for a 25-year fixed-price renewable electricity supply agreement to purchase the solar and wind power for the BASF Zhanjiang Verbund site in China under the Renewable Energy Trading Rules in Guangdong Province.

This is an unprecedented long-term fixed-price deal for the trading of renewable electricity in China. Upon the agreement, Brookfield will develop and build dedicated new solar and wind farms as well as possible storage solutions to support the renewable energy demands of the BASF Zhanjiang Verbund site with a fixed cost mechanism for 25 years.

“This agreement with Brookfield is another important step in securing renewable energy for BASF’s new Verbund site in Zhanjiang,” said Haryono Lim, Senior Vice President, New Verbund Site China, BASF & General Manager, BASF Integrated Site (Guangdong) Co. Ltd. “BASF is dedicated to building its Zhanjiang Verbund site into a role model of sustainable production, and aims to already achieve 100% renewable electricity supply for its Zhanjiang Verbund site by 2025. This is part of BASF's climate neutrality target, and will also contribute to China's carbon reduction goal.”

It is the first time that both parties will use the levelized cost of energy (LCOE<sup>1</sup>) concept to reflect the pricing of the renewable energy projects being built. It sets a pioneering model across the green power trading sector in China.

Ruth Kent, Brookfield Renewable Managing Partner, Global Chief Operating Officer said: “The transition to net zero needs to be addressed with urgency and collective

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<sup>1</sup> LCOE is the ratio of the total costs of a Renewable Energy Project (including both capital and operating costs) to the total amount of electricity expected to be generated over the Project's lifetime.

action. We're excited to collaborate with like-minded and forward-looking partners such as BASF to support and accelerate their carbon emission reduction targets.”

Announced in July 2018 and officially commenced in November 2019, BASF Zhanjiang Verbund site will be the company's largest investment with €8 to €10 billion upon completion and would be operated under the sole responsibility of BASF. The site would ultimately be the third-largest BASF site worldwide, following Ludwigshafen, Germany, and Antwerp, Belgium. The whole Verbund site is planned to be completed by 2030. The first plant from the initial phase will be operational by 2022.

For further information, please reach out to:

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#### **About BASF**

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 111,000 employees in the BASF Group contribute to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €78.6 billion in 2021. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. Further information at [www.basf.com](http://www.basf.com).

#### **About Brookfield**

Brookfield Renewable operates one of the world's largest publicly traded, pure-play renewable power platforms. Its portfolio consists of hydroelectric, wind, solar and storage facilities in North America, South America, Europe and Asia, and totals approximately 21,000MW of installed capacity and an

approximately 62,000MW development pipeline. Brookfield Renewable is an established leader in power marketing, with over 700 industrial and commercial clients worldwide. Investors can access its portfolio either through Brookfield Renewable Partners L.P. (NYSE: BEP; TSX: BEP.UN), or Brookfield Renewable Corporation (NYSE, TSX: BEPC), a Canadian corporation.

Brookfield Renewable is the flagship listed renewable power company of Brookfield Asset Management, a leading global alternative asset manager with approximately \$690 billion of assets under management.