EDP signs Asset Rotation deal for a 384 MW solar and storage portfolio in US

Investors & Analysts' Briefing

Reuters: EDP.LS
Bloomberg: EDP PL

Lisbon, July 27th, 2026: EDP, S.A. ("EDP"), through its 71.4% owned subsidiary EDP Renewables, S.A. ("EDPR"), has signed an agreement to sell an 80% common equity stake in a 384 MW portfolio in the United States to an Ares Infrastructure Equity fund.

The portfolio includes 200 MW of solar and 184 MW Battery Energy Storage System ("BESS") in California. The solar capacity is contracted through a 20-year long-term Power Purchase Agreement ("PPA") and the storage capacity has a 20-year Capacity Tolling Agreement.

The Enterprise Value implied in this transaction for 100% of these assets at start of operations amounts to $0.8 billion. EDP will receive close to $0.45bn in total proceeds for this 80% equity stake, of which 50% will be received at financial close and 50% at COD.

The portfolio which reached Final Investment Decision ("FID") in August 2025, was EDPR's first FID in the United States following the signing into law of the "One Big Beautiful Bill" Act ("OBBB") on July 4th, 2025. Through the timely delivery of affordable and clean energy, the project will contribute to meeting the region's rapidly growing power demand. In the 12-month period since the OBBB approval, EDPR has contracted 1.5 GW of solar and BESS greenfield capacity with expected energy delivery for 2026-28.

As presented in 2026-28 Business Plan, EDP's Investment decisions are taken under an investment framework with clear risk-return criteria thresholds including IRR-WACC spread >250 bps (average of ~285 bps at FID for secured capacity for 2026-28 delivery) and weight of contracted cash flows on project net present value >60%, with a focus on earnings and shareholder value enhancement. In this asset rotation transaction, the gain over gross invested capital, subject to final adjustments until full proceeds collection, is projected to be in the region of +40%, clearly above the average +15% target for the 2026-28 period. The US market represents c. 60% of EDPR's gross investment plan for 2026-28.

This information is disclosed pursuant to the terms and for the purposes of the article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council.

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