

Talen × AWS · Assumption Check · Read

PAGE 1 · THE DECISION

VERDICT

CONDITION

Direct investment · lens can be switched to co-investment (see page 2)

Why. The contract is signed, the buyer is AA-rated and the implied margin is wide. What isn't documented is the physical draw that turns a capped make-whole into full revenue, and the plant has almost no headroom at full quantity. Underwrite the floor for any volume without a documented load and delivery point; move to full value as they are shown.

THE ONE QUESTION FOR MANAGEMENT

For each year of the ramp, show the load AWS is committed to draw and where (campus meter or named site), the transmission in-service date that serves it, and how much of that year's value falls to the make-whole if the load isn't there.

The three lines that change the decision

AREA	ASSUMPTION AS PRESENTED	RATING	KEY FIGURE
REVENUE	"~\$18bn contracted"	CHALLENGE	50–65% Talen's estimated make-whole cap if nothing is drawn
LOAD	"1,920 MW at full quantity"	UNSUPPORTED	~480 MW above PPL's stated campus total, no named site
TIMING	"Campus reaches full build-out 2028–2030"	LOOK AGAIN	Not found PPL's in-service date for the Berwick build

The four options and what would have to be true

COMMIT	CONDITION · RECOMMENDED	REPRICE	PASS
PPL in-service dates for the Berwick build, named off-campus delivery points with their own transmission status, and clarity on how Pennsylvania will serve new large load after FERC's 9 October order.	Underwrite each ramp year at the make-whole floor until that year's load and delivery point are documented. Restate the uplift against cleared capacity prices.	The valuation carries the full 1,920 MW from 2032 and the June 2025 uplift unadjusted. Reprice on documented campus load and the make-whole floor for the rest.	Not indicated. Signed contract, AA buyer, operating plant, revised contract in effect.

Rule for the committee: a contracted megawatt is only revenue when someone draws it. Do not underwrite contract quantity above documented load.

Signed: Eden Djanashvili, DeepRadar · reviewed against every source listed on the last page.

PAGE 2 · CONTEXT AND OUR VIEW

The deal

Talen Energy owns the Susquehanna nuclear plant in Pennsylvania. In 2025 it signed a contract to supply Amazon Web Services (AWS) with up to 1,920 MW until 2042, for a data-centre campus next to the plant. Much of Talen's value now rests on that contract.

Why it matters

The contract is often read as ~\$18bn of locked revenue. It only becomes revenue if AWS actually draws the power, and if the grid is built in time to deliver it.

OUR VIEW

The contract is real and well priced, and the buyer is solid. What isn't proven is that anyone will draw the full volume: in the public documents, the utility's own plan stops ~480 MW short, with no other site named. We would underwrite the floor for every year without documented load, and treat the top of the contract as upside, not base case.

The same read, for a co-investor

	DIRECT INVESTMENT	CO-INVESTMENT
Verdict	CONDITION	JOIN WITH CONDITIONS
Who you ask	Management	The lead sponsor
The action	Underwrite the floor until load is documented; restate the uplift.	Commit once the lead shares the ramp-year load evidence; size the ticket on the make-whole floor.

Key figures

Contract	1,920 MW to 2042
Counterparty	AWS · AA-rated
Notional revenue	~\$18bn over 17 years
Annual at full quantity	up to \$1.4bn
Implied price (derived)	~\$83/MWh
Plant all-in cost, 2025	~\$27/MWh
Make-whole floor if undrawn	50-65% (Talen estimate)
Utility-planned campus load, 2030	~1,440 MW

Terms used: **PPA** power purchase agreement · **PJM** grid operator for Pennsylvania and 12 other states · **PPL** the local utility · **FERC** US energy regulator · **Make-whole** capped payment if less power is drawn than contracted.

PAGE 3 · THE LINES THAT CHANGE THE DECISION, WITH EVIDENCE

REVENUE

CHALLENGE

"~\$18bn contracted"

50–65% Talen's estimated make-whole cap if nothing is drawn

What the evidence supports. The ~\$18bn is notional revenue at full contract quantity. Talen's own footnote: contract volumes carry a shortfall make-whole with a cap, estimated at 50–65% of the full impact on cash flow if no power is drawn, depending on market prices.

As presented. ~\$18bn over 17 years

Why it changes the decision. The contract is signed and the counterparty is AA. What is not contracted is the physical draw that turns a make-whole into full revenue.

What it does not prove. That AWS will under-draw, or the exact floor: the 50–65% is Talen's estimate of per-share impact, not a contract term we have seen. The PPA itself is not public.

ASK MANAGEMENT

For each ramp year, how is the make-whole calculated, and what does it pay if the load is not there?

Sources: S2 Talen Energy, investor presentation · S10 Utility Dive, Talen–Amazon PPA

LOAD

UNSUPPORTED

"1,920 MW at full quantity"

~480 MW above PPL's stated campus total, no named site

What the evidence supports. Talen's 10-K describes up to 1,920 MW for the adjacent campus, with the ability to deliver elsewhere in Pennsylvania. PPL's planning filing puts total load for a customer at Berwick at about 1,440 MW in 2030. The two don't reconcile, and no other delivery site is named in any document checked.

As presented. 1,920 MW by 2032

Basis. The PPA allows AWS to elect alternative delivery points. That is a right, not a site.

What it does not prove. That the load does not exist. Amazon has said it is investing \$20bn in Pennsylvania data centres. No document checked ties any of that to this contract.

Inferred, not stated. PPL does not name the Berwick customer. The match to the AWS campus rests on location (Berwick, fed from the Susquehanna 500 and 230 kV yards) and timing (requested 04/2026, the month of the transition).

ASK MANAGEMENT

Name the off-campus delivery points, their utility, their load schedule and their transmission status.

Sources: S1 Talen Energy, press release · S4 Talen Energy, Form 10-K, fiscal 2025 · S6 PJM TEAC, PPL supplemental projects · S13 Talen Energy, Q2 2025 results release

TIMING

LOOK AGAIN

"Campus reaches full build-out 2028–2030"

Not found PPL's in-service date for the Berwick build

What the evidence supports. PPL's April 2025 filing is at need stage: customer-requested dates and loads, no solution and no in-service date. It is the customer's schedule, not the utility's.

As presented. 2028–2030

Comparable. Same utility, same deck: the Hauto customer requested 05/2027; PPL projected 05/30/2028. One year of slip at solution stage.

Secondary claim checked. A published analysis dates the Berwick build to 30 May 2028. In the April 2025 deck, that date is the Hauto project's. A later Berwick filing may exist; I did not find one.

ASK MANAGEMENT

Show PPL's solution-stage filing for PPL-2025-0003 with its projected in-service date, and the load energised to date.

Sources: S5 Talen Energy, Q2 2026 earnings call · S6 PJM TEAC, PPL supplemental projects · S12 MeasuredAI, Amazon's Susquehanna campus

PAGE 4 · ALL ASSUMPTIONS CHECKED

15 assumptions, ranked by what they do to the decision

IMPACT	AREA	ASSUMPTION	RATING	KEY FIGURE
HIGH	REVENUE	"~\$18bn contracted"	CHALLENGE	50–65% — Talen's estimated make-whole cap if nothing is drawn
HIGH	LOAD	"1,920 MW at full quantity"	UNSUPPORTED	~480 MW — above PPL's stated campus total, no named site
HIGH	TIMING	"Campus reaches full build-out 2028–2030"	LOOK AGAIN	Not found — PPL's in-service date for the Berwick build
MEDIUM	REGULATION	New campus load faces no grid curtailment rule	LOOK AGAIN	Rejected 9 Oct 2026 — PJM's cut-first rule; refiling and state terms still open
MEDIUM	VALUATION	Contract uplift over merchant as presented	CHALLENGE	\$270 vs ~\$325 — assumed vs cleared capacity price
MEDIUM	MIX	"Grows into ~50% contracted margins"	LOOK AGAIN	50% → 35% — target moved, denominator changed
MEDIUM	OUTAGES	"1.92 GW from Susquehanna"	LOOK AGAIN	~16.8 vs ~17 TWh — full contract a year vs 2025 plant output (derived)
MEDIUM	EXIT	AWS stays at full contract quantity	LOOK AGAIN	Not disclosed — step-down and exit rights
LOW	PRICE	Fixed premium price holds a wide margin	SUPPORTED	~\$83 vs ~\$27/MWh — implied price vs 2025 all-in cost (derived)
LOW	FUEL	Nuclear fuel cost is locked in	LOOK AGAIN	100% to 2028 · >50% 2029 · >20% 2030
NONE	STRUCTURE	Front-of-the-meter needs no FERC approval	SUPPORTED	Begun April 2026 — full transition expected spring 2027
NONE	COUNTERPARTY	AWS as buyer	SUPPORTED	No gap
NONE	UPSIDE	Upgrades and small reactors add supply	LOOK AGAIN	Asserted — not in the base case
NONE	LICENCE	Contract term against licence life	SUPPORTED	2042 = 2042
NONE	CAPEX	Talen capital to deliver the contract	SUPPORTED	Not critical for Talen's base case

Ratings: SUPPORTED the evidence backs it · LOOK AGAIN open, needs evidence · CHALLENGE the evidence points elsewhere · UNSUPPORTED nothing backs it up. Impact, if the assumption is wrong: HIGH could change the verdict · MEDIUM changes price or terms · LOW changes the model only · NONE no effect on this deal.

PAGE 5 · PATH TO THE GOAL AND WHAT TO WATCH

Goal as claimed: AWS draws up to 1,920 MW from Susquehanna by 2032

BINDING STEP

The PPL in-service date for the Berwick build is not public. Until it is, full revenue from 2032 rests on an undated transmission build.

SHORT TERM · 0–12 MONTHS

Apr 2026	Revised PPA in effect	DONE
9 Oct 2026	FERC rejects PJM's cut-first interim service; accepts 50 MW definition and registry	DONE
Spring 2027	Full front-of-the-meter transition	OPEN

MEDIUM TERM · 1–3 YEARS

~8 Nov 2026	PJM compliance filing and any refiled interim service	OPEN
No date	PPL in-service date for the Berwick build	MISSING
2028–2030	Campus full build-out	ASSERTED
2029	Contract ramp 840–1,200 MW	CONTRACTED

LONG TERM · 3+ YEARS

2030	PPL load ~1,440 MW; the ~480 MW above it has no named site	UNSUPPORTED
2032	Full 1,920 MW: draw vs plant output	AT RISK
2042	Contract end = Unit 1 licence end	CONFIRMED

Conditions you can put in the term sheet

- Drawdown of the full contract value conditional on PPL's published in-service date for the Berwick build.
- Valuation of ramp years above documented load at the make-whole floor until load and delivery point are evidenced.
- Disclosure of AWS step-down, cap and termination rights under the revised PPA.

Three dated signals, watched for the next 3 months (Watch included)

SIGNAL	BY WHEN	IF IT MOVES
PJM response to FERC's 9 Oct order: compliance filing, any refiled interim service	~8 Nov 2026	Whether a cut-first rule for new large load returns
PPL solution-stage in-service date for Berwick	Next PJM planning cycle	Binding step moves from MISSING to CONFIRMED or slips
Named off-campus delivery site for the ~480 MW	Before 2030	Top of the contract moves from upside to base case

PAGE 6 · METHOD, SCOPE AND SOURCES

Method

The case is Talen's own investor presentation, press release and SEC filings, PJM planning documents and FERC records. Each assumption is checked against primary documents; secondary analyses are checked against their own sources before use. Every grade cites its source; no citation, no grade.

Scope

The assumptions the AWS contract rests on: load, delivery, timing, supply, price, fuel, exit terms, licence and capital. Not Talen's merchant fleet, debt, hedging or valuation. A verdict on the risk, not a valuation or investment advice.

What a client Read adds

This sample uses public documents only. On a client engagement, the same structure is built on your model, information memo and data room (under NDA), and the verdict is set for your lens and your decision date.

Independence

No position in, and no payment from, any company named. Client engagements are confidential and never published.

Sources

- S1 Talen Energy press release, 11 Jun 2025 (8-K ex. 99.1)
- S2 Talen investor presentation, 11 Jun 2025 (footnotes on make-whole and uplift)
- S3 Talen Form 10-Q, Q1 2026
- S4 Talen Form 10-K, fiscal 2025
- S5 Talen Q2 2026 earnings call (third-party transcript)
- S6 PJM TEAC, PPL supplemental projects, 1 Apr 2025
- S7 Talen prospectus supplement (424B3), 2025
- S8 FERC rejection of the Susquehanna ISA amendment, Nov 2024
- S9 POWER Magazine, 13 Jun 2025
- S10 Utility Dive, 11 Jun 2025
- S11 PJM Base Residual Auction results, 2026/27 to 2028/29
- S12 MeasuredAI analysis, Aug 2026 (checked, not relied on)
- S13 Talen Q2 2025 results release
- S14 Talen Q1 2025 results release
- S15 FERC order, 197 FERC ¶ 61,019, Docket ER26-3515-000, issued 9 Oct 2026