

STEAG registers Lünen power plant for final closure

STEAG no longer sees any economic prospects for the hard coal-fired generating units 6 and 7 in Lünen. One power plant unit in Völklingen, Saarland, is to be taken off the grid temporarily for seasonal reasons.

Essen. Energy company STEAG today filed a legally binding notice with the German Federal Network Agency registering its power plant units 6 and 7 in Lünen for closure. At the request of the transmission system operator Amprion, the Federal Network Agency will decide whether and to what extent the generating units are relevant for the system stability or whether the two power plant units will be shut down for good.

STEAG was able to maintain its power plant portfolio in the market for a long time by optimizing its cost and revenue structure very early on. However the persistently difficult marketing environment is worsening the profitability of the plants. “We fight for every power plant unit,” says Joachim Rumstadt, Chairman of STEAG’s Board of Management. “However, we do not expect that unit 7 in Lünen will generate sufficient positive contribution margins in the future, also due to its age. Unit 6 will continue to supply electricity for Deutsche Bahn under an existing contract until the end of 2018. Once this contract expires, we do not see any economic prospects for this unit either,” Joachim Rumstadt explains. STEAG plans to shut down units 6 and 7 finally by March 2, 2019.

The persistently low wholesale prices for electricity are worsening the economic efficiency of conventional large-scale power plants in Germany. This also affects the MKV power plant unit in Völklingen, in the state of Saarland. STEAG therefore intends to take it off the grid temporarily from the beginning of April to the end of September this year and next year. The same measure also applies to unit 7 in Lünen this year.

“As a result of the final shutdown of the two generating units in Lünen, jobs will be lost,” says the Chairman of STEAG’s Group Works Council, Ralf Melis. “As early as at the end of 2016, we worked with the Board of Management of STEAG to develop a social plan and a compensatory plan with the

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aim of reducing staffing levels in a socially responsible manner and without redundancies. Now we will negotiate a reconciliation of interests for the colleagues concerned.”

In March 2017, STEAG had already taken the power plant units West 1 and 2 in Voerde and in the summer of 2017 Herne 3 in North Rhine-Westphalia off the grid. “From today’s perspective, the adaptation process has been completed in a package with the measures now taken. We see good prospects for our efficient power plants in the Ruhr area,” says Joachim Rumstadt. “We expect the economic environment to improve significantly after the phase-out of nuclear energy.”

About STEAG

STEAG GmbH has stood for efficient and secure energy supply for more than 80 years, both in Germany and abroad. As an experienced partner, we support our customers comprehensively during all phases of energy supply. We design, develop, implement and operate highly efficient power plants and market their energy and by-products. In addition to customized electricity and heat supply solutions, we offer a wide range of energy-related services.