

An important first step

STEAG welcomes National Hydrogen Strategy and hopes for rapid implementation

Essen. In mid-June, the German Government presented the National Hydrogen Strategy after a long period of preparation. STEAG welcomes the blueprint for a successful market ramp-up of a hydrogen sector in Germany which is now available: "The paper contains a number of useful and pioneering approaches. We hope, though, that these ideas will be firmed up in the near future," says Joachim Rumstadt, Chairman of the Board of Management of STEAG GmbH.

In STEAG's opinion, the German government's insistence on keeping the entire value chain in view when developing the hydrogen industry is expressly to be welcomed. In concrete terms, the strategy paper states: "Supply, distribution and demand will always be considered in conjunction with each other.

"This holistic view is of vital importance. After all, we need to bring production and demand for hydrogen together. That is not the case in all the places where production of hydrogen is possible in principle," says Joachim Rumstadt. The solution could be to build the next electrolyzers close to the consumption points, with the aid of political back-up. If this were to succeed, it would be a milestone on the way to successfully establishing the required domestic market for hydrogen. Potential customers are, for example, steel manufacturers or local public transport companies.

Coordinated action by federal and state governments necessary

The fundamental requirement for this is close coordination between the federal, state and local authorities in order to actually exploit the recognized potential that hydrogen offers for the creation of a largely emission-free energy landscape of the future. Only then will it be possible to achieve the goal that the federal government has set itself, namely to strengthen regional value creation, as expressly called for in its strategy paper.

"The market ramp-up of the hydrogen sector must take the form of concerted action so that the hopes placed in this energy source can be fulfilled," says Joachim Rumstadt. In this context, the projects already launched before the national hydrogen strategy was published – in the case of STEAG, for example, the "Fenne HydroHub" living laboratory – must not be forgotten.

Page 1 of 2

Contact

Daniel Mühlenfeld Press Spokesman Tel. +49 201 801-4262

Fax +49 201 801-4252

daniel.muehlenfeld@steag.com www.steag.com

STEAG GmbH

Rüttenscheider Strasse 1–3 D-45128 Essen www.steag.com

Registered office in Essen Registered at Essen Local Court under number B 19649

Supervisory Board

Guntram Pehlke, Chairman

Board of Management

Joachim Rumstadt, Chairman Dr.-Ing. Wolfgang Cieslik Alfred Geißler Dr. Heiko Sanders



Existing projects must also benefit

"If the German government now holds out the prospect within the framework of its National Hydrogen Strategy of, for example, the electricity required for hydrogen production by electrolysis plants being exempt from taxes and duties, then such an arrangement must apply to the projects already in preparation," says Philipp Brammen, who coordinates the Fenne HydroHub project at STEAG.

STEAG has already put the extensive exemption from taxes and duties up for discussion several times in the past with regard to the planned HydroHub. "We consider that our efforts in this respect are justified by this measure now being incorporated in the national hydrogen strategy, at least as a matter for review," says Philipp Brammen. This is a decisive lever in promoting the marketability of technical innovations and helping ideas to be implemented, which the federal government is expressly calling for in the form of technology demonstrations. In this context, STEAG welcomes the latest announcements by the European Union. That body is expressly striving for a Europe-wide harmonization of taxation on hydrogen from electrolysis plants in order to establish a European hydrogen economy.

No discrimination against hydrogen

Another important point is the question of the power source for the hydrogen. In the long term, the German government is aiming above all at the production of green hydrogen, i.e. hydrogen produced entirely from renewable energy sources. "For the time being, however, the main thing must be the successful establishment of a hydrogen industry. This requires electrolyzers on an industrial scale and industrial customers. Hydrogen produced from natural gas or as a by-product from industrial processes should not be excluded per se," says Joachim Rumstadt. "That means only one thing: hydrogen is going to be more expensive."

The EU, which in its own hydrogen strategy for the market ramp-up phase is much more open to different technologies, sees things similarly. After all, there is not only a need for additional power generation capacities from renewables, but also for the relevant infrastructure and power storage facilities if the hydrogen industry, which the German government envisages with a generation capacity of 10 gigawatts (GW), is to be supplied nationwide with green electricity in the future.

Rapid implementation necessary

Overall, STEAG considers the National Hydrogen Strategy to be an important first step. If the ideas outlined in it can be implemented promptly, this can provide a strong impetus for the energy transition and the corona-induced weakening of the German economy. "We are counting on the federal government to quickly ensure that the outstanding issues are resolved and conditions are such that the energy industry can tackle this important future topic," says Joachim Rumstadt.

About STEAG

For over 80 years, STEAG has stood nationally and internationally for efficient and reliable power generation. As an experienced partner, we support our customers comprehensively in all phases of power supply. We design, develop, implement, operate and market highly efficient power plants and their by-products. Together with tailor-made solutions in the field of electricity and heat supply, we also provide a wide range of energy services – increasingly on the basis of renewables.