

STEAG files urgent application with the German Federal Constitutional Court

For the closure auction for hard coal fired power plants taking place at the beginning of September, the Essen-based energy company is seeking to have the volume substantially increased and the compensation awards declared provisional.

Essen. STEAG today submitted an urgent application to the Federal Constitutional Court in Karlsruhe in connection with the Coal-fired Power Generation Termination Act (KVBG) adopted by the German Bundestag on 3 July.

STEAG explicitly supports the climate protection goals bindingly agreed by the Federal Republic of Germany under international and European law and implemented in national law by the Coal-fired Power Generation Termination Act (KVBG). "Hence, the purpose of the urgent application is not to prevent the Act from taking effect or to delay its implementation," Joachim Rumstadt, Chairman of the Board of Management of STEAG GmbH, emphasizes. "However, we view the provisions of the Act as an unlawful encroachment on our right to property, which is protected by the Basic Law for the Federal Republic of Germany and the EU Charter of Fundamental Rights." The Essen-based energy company must either accept that its hard coal fired plants will be shut down by regulatory order without compensation as of 2027 at the latest or participate in a little more than one month in auctions for the closure of hard coal power plants.

Eight auctions in all are planned. The highest prices attainable in these auctions are unreasonably low, however, and many points of the terms and conditions of auction are unclear and unlawful. Since the highest attainable prices are most attractive in the auction on 1 September, with its urgent application STEAG requests an expansion of the volume of this first auction by about 20 percent and a determination by the Federal Constitutional Court that the amount of the awards is provisional and its appropriateness can be reviewed in proper legal proceedings.

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STEAG will lodge a constitutional complaint at a later time

STEAG welcomes the fact that reasonable arrangements for compensation and a shutdown schedule were successfully negotiated with the operators of lignite power plants and embodied in contracts. “However, that no such talks were conducted with the operators of hard coal fired power plants and unreasonable compensation arrangements are being imposed upon them is not comprehensible,” Joachim Rumstadt criticizes. Furthermore, it is incomprehensible that the Coal-fired Power Generation Termination Act in large part curtails legal protection before civil and administrative courts and thus forces STEAG to file a constitutional complaint, the only legal remedy remaining to it.

The Act does not take effect until it is published in the Federal Law Gazette. Publication has not taken place yet, despite the fact that the Act already was adopted on 3 July. STEAG consequently is forced to submit its file its application to the Federal Constitutional Court for summary proceedings for injunctive relief even before the entry into force of the Act in order to obtain legal protection prior to the first closure auction on 1 September 2020. STEAG will lodge a constitutional complaint at a later time.

About STEAG

For over 80 years, STEAG has stood for efficient and reliable power generation, both in Germany and abroad. As an experienced partner, we support our customers comprehensively in all phases of power supply. We design, develop, implement, operate and market highly efficient energy solutions – from distributed generation facilities based on renewable energy sources to large central power plants and recycling of their by-products. Together with customized solutions in the field of electricity and heat supply, we also provide a wide range of energy services – increasingly on the basis of renewables.