

# STEAG registers Völklingen Model Power Plant for provisional closure

No effect on supplies from the site to the Saar district heating network

**Völklingen/Eszen. The Essen-based energy company STEAG today notified the Federal Network Agency of the provisional closure of the Völklingen Model Power Plant (MKV) unit in the Saarland. This announcement on the transparency platform of the EEX energy exchange is required by law and was made immediately after the decision was taken by the management. Commercial considerations were the main factor behind the notification of provisional closure.**

On account of the sharp increase in the share of electricity from renewables in the grid, the number of full-load operating hours of the Model Power Plant (MKV) hard coal fired unit had been declining for several years. This year, for the fourth time in a row after 2018, 2019 and 2020, the unit was temporarily shut down from the beginning of April to the end of September and did not participate in market operations during that period. The MKV, with a gross electrical capacity of 195 megawatts (MW), was commissioned in 1982.

## Review of system relevance

Today's application for closure will now be followed by a review by the transmission system operator Amprion to ascertain whether the power plant unit is to be classified as system-relevant in terms of ensuring a secure and stable energy supply. Irrespective of the outcome of this review process, which will take up to one year, STEAG is free to enter the MKV power plant unit in one of the five following decommissioning auctions for hard coal fired power plants provided for by the German Act on the Termination of Power Generation from Coal (KVBG). The KVBG regulates the phase-out of coal-fired power generation in Germany. But not by 2038 at the latest, as is the case with lignite, but in fact much earlier in the case of hard coal.

Should the Federal Network Agency (BNetzA) and Amprion grant the application, the job losses associated with the provisional closure could be arranged in a socially acceptable way: "Some of our employees at the site are expected to take retirement in the foreseeable future, and for others there are

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prospects at the neighboring STEAG sites in Bexbach and Weiher in the Saarland, as these two power plant units are considered to be system-relevant and therefore also require personnel,” says Dr. Andreas Reichel, Human Resources Director of STEAG GmbH.

However, should the BNetzA and Amprion conclude that the Model Power Plant is to be regarded as system-relevant, this would be tantamount to a ban on decommissioning. The power plant unit would be transferred to the grid’s reserve capacity until further notice and STEAG would have a legal claim to reimbursement of a large part of the plant’s operating costs. “The provision of power plant capacity that can be called up at any time is an important contribution to the success of the energy transition and comes at a price,” says Joachim Rumstadt, Chairman of the Board of Management of STEAG GmbH.

### **No impact on district heating supply**

STEAG operates several power plant units at the Völklingen-Fenne site; in addition to the MKV, these are the Völklingen combined heat and power plant (HKV) with 236 MW and the natural gas and mine gas fired engine cogeneration plant (MHK) with 42 MW of electrical output. In addition, there is a boiler system with a thermal output of 170 MW for pure heat generation.

In this context, a provisional shutdown of the MKV will have no impact on the Saar district heating network supplied by the site. This is all the more so, as STEAG has already demonstrated foresight by investing in further alternative plants for heat generation, which will be ready for operation from the fourth quarter of this year, in advance of the 170,000 megawatt hours (MWh) of environmentally friendly waste heat from the Velsen waste-to-energy plant also becoming available annually from the 2022/2023 heating period onwards. This will significantly improve the already good carbon footprint of district heating supply at the Saar in the future.

### **Saarland remains an important STEAG location**

“This makes two things very clear: Firstly, the district heating supply in the region is secured in the long term even beyond the final coal phase-out. And secondly, thanks to investments of this kind, the Saarland will continue to be an important pillar of STEAG’s operations,” says Thomas Billotet, Managing Director of Saarbrücken-based STEAG New Energies GmbH.

### **STEAG plans to use hydrogen at the Fenne site**

The site in the Fenne district of Völklingen also remains of central importance to STEAG. There, under the project name “Fenne HydroHub”, the Essen-based energy company is planning to construct an electrolyzer for the production of green hydrogen, which in the future will make an important contribution to the decarbonization of the steel industry and the mobility sector in the Saarland.

To this end, STEAG recently applied for project funding as an IPCEI – “Important Project of Common European Interest” – together with network operator Creos Deutschland, plant manufacturer Siemens Energy, mobility service provider Saarbahn and steel producer SHS – Stahl-Holding-Saar.

### **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. Successfully so: Since 1990, STEAG has permanently reduced its own CO<sub>2</sub> emissions by approximately 85 percent.

### **About STEAG New Energies**

STEAG New Energies GmbH, a subsidiary of STEAG GmbH, specializes in developing and implementing decentralized energy solutions based on efficient and sustainable concepts. Be it electricity, heat, district heating, cooling, compressed air or process steam: Our solutions give our customers the edge in terms of efficiency – in Germany and around the world. Besides conventionally generated energy, the spectrum ranges all the way from wind and bioenergy through to geothermal energy. In 2019, STEAG New Energies achieved sales of around 241 million euros and employed a workforce of some 400 staff in Germany and abroad (including holdings).