STEAG returns 2.5 gigawatts additional power plant capacity to the market

Power plants Bexbach and Weiher return from grid reserve, power plants Bergkamen and Völklingen-Fenne, who were designated for permanent shutdown, continue operations

Essen. STEAG is returning both its hard coal fired power plants Bexbach and Weiher in Saarland from the grid reserve to the market. With a net rated capacity of 726 megawatts, the Bexbach power plant is the largest STEAG plant in Germany, it's sister power plant in Weiher has a capacity of 656 megawatts. Together, both power plants reliably supply the equivalent of up to four million households with electricity. Furthermore, STEAG has decided to keep the power plants Bergkamen (717 megawatts) in the Ruhr area as well as the power plant blocks MKV (179 megawatts) and HKV (211 megawatts) in Völklingen-Fenne, Saarland, who originally were designated for permanent decommission by October 31st, 2022, further in the market. Today, the Essen-based energy company has informed the Federal Grid Agency (Bundesnetzagentur) and transmission grid-operator Amprion about these decisions taken. Power Exchange EEX has been informed, too.

"We as STEAG can make a significant contribution to save natural gas within the current energy crisis," says Dr. Andreas Reichel, Chairman of the Management Board of STEAG GmbH. Altogether, the four power plants in the Saarland and Ruhr area now returning to the market and which are affected by the exemptions of the Act on the Maintenance of Substitute Power Stations (EKBG), have a net rated capacity just under 2,500 megawatts.

"Arithmetically, our power plants can replace approximately a third of the power, that in 2021 had been generated in natural gas fired power plants," adds Dr. Ralf Schiele, COO of STEAG, responsible for "market and technology" within the management board.

Bexbach power plant the first to return to the market

The first of the four power plants to return to the market will be Bexbach on October 28th; thereby fulfilling its designated task within the current energy crisis: reduce natural gas consumption in power generation. Its sister power plant Weiher, located in the Saarland town of Quierschied, will follow on October 31st. Both

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the two power plants Bergkamen and Völklingen-Fenne, originally designated for permanent decommission, stay in the market beyond October 30^{th} . All of the four power plants are planned to operate in the market until spring 2024 within the legal framework of the federal Act on the Maintenance of Substitute Power Stations (EKBG).

This became possible thanks to the efforts to secure a sufficient hard coal supply. "The past few weeks have been stressful and challenging for our employees," says Andreas Reichel. Together with logistics service providers and the German government, solutions have been found to overcome the existing transport bottlenecks on the railways. "In the upshot, we are very relieved that the federal government has taken the right course here," says Andreas Reichel.

Permanent power plant operation possible

The new arrangement provides for fuel transport by rail to be given priority over other rail traffic whenever the permanent operation of a power plant can otherwise no longer be guaranteed. Since the beginning of October, STEAG has been able to build up the fuel stocks needed for a return to the market, which are much larger than for reserve operations.

Originally, the Act on the Maintenance of Substitute Power Stations (EKBG) even stipulated a fuel quantity that would be sufficient to operate the plants at full load for 30 days. In the view of power plant operators, this minimum stockpiling requirement, which is far removed from practice, has now been significantly relaxed by the German government. Since the passage of the EKBG into law in July, only two hard coal fired power plants have returned to the market.

Logistics have been secured

"Without the demand-based priority regulation for hard coal transport over other rail traffic, the earlier return of the Bexbach power plant to the market would hardly have been possible," Ralf Schiele sums up the demanding logistical starting point for the power plants.

Indeed, the rail freight system was not prepared for a restart of hard coal fired power plants after the phase-out of coal-fired power generation in Germany, which was enshrined in law in 2020. "Transport companies and rail operators had adjusted their capacity of locomotives, warehouses, and wagons to reflect the new market situation. As a result, there is also currently a shortage of train drivers. "If a reliable fuel supply for the hard coal fired power plants was to be organized and security of electricity supply ensured in the current energy crisis, the tasks involved were and still are highly challenging," Dr. Stephan Riezler, who heads STEAG's trading department and is responsible for fuel management in that function, explains.

Water levels and logistics by barge

The situation was aggravated by the fact that, for example, with regard to the Bergkamen power plant site, which is supplied by ship, the low water levels of the rivers also caused a tense supply situation into

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the autumn. "In the case of inland shipping, too, less transport capacity has been available recently following the decision to phase out coal. Thankfully, however, the situation has eased here due to the recent rise in river levels," says Stephan Riezler. The supply of STEAG's power plant sites supplied by ship is therefore secured.

Various challenges

Ensuring reliable transport logistics from the international ports of Rotterdam and Amsterdam to the power plant sites in Saarland was just one of several challenges that STEAG had to overcome in the past few weeks.

Especially, the two power plants Bergkamen and Völklingen-Fenne in Saarland had to be technically overhauled. At the same time, it was necessary to ensure that sufficient personnel would be available at both sites beyond the designated decommissioning date to be able to operate the power plants as required. "Retirements were postponed, we were able to persuade employees who had changed their careers to stay on, and we recruited new staff — as far as they were available on the labor market," says Andreas Reichel, who also holds the position of Labour Director at STEAG.

One-of-two block operation in Völklingen-Fenne

Thanks to these measures, the continued operation of the Bergkamen and Völklingen-Fenne power plants could also be secured in terms of personnel. However, the staffing level at the Völklingen-Fenne site does not allow for double-unit operation from November 2022. "Therefore, only one of the two units will be on the grid at the Völklingen-Fenne site at a time," says Ralf Schiele.

Proud of what has been achieved

The fact that the market return of Bexbach and Weiher as well as the market retention of Bergkamen and Völklingen-Fenne is now succeeding in time for the start of the heating season despite all organizational adversities is the result of a united team effort by the STEAG workforce. "STEAG and its employees are justifiably proud of this success," adds Andreas Reichel.

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About STEAG

For 85 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 and those based on renewable sources to large central power plants. 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: From 1990 until end of 2021, STEAG has permanently reduced its own CO_2 emissions in Germany by more than 80 percent.

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