

Press release

Agreement on coal phase-out 2030 and strengthening security of supply in the energy crisis

- **Earlier coal phase-out contributes significantly to achieving German climate protection goals**
- **Neurath D and E power plant units to remain temporarily on the grid to strengthen security of supply and displace gas from electricity generation**
- **Necessary staff reductions to be implemented in a socially responsible way**

Essen, 4 October 2022

Markus Krebber, CEO of RWE AG: “Security of supply is the order of the day. At the same time, climate protection remains one of the key challenges of our time. RWE supports both: in the current crisis, we are contributing to security of supply in Germany by temporarily increasing the use of our lignite-fired power plants and are thus also helping to displace gas from electricity generation. At the same time, we are investing billions of euros to accelerate the energy transition and are ready to phase out lignite by 2030. The further acceleration of the coal phase-out must not be at the expense of employees. That is why we want the phase-out to happen in a socially responsible way, as before. It was important to RWE that the German government also assured us that it would adapt the legal regulations so that no one is left out in the cold.”

RWE is ready to end lignite-based electricity generation in 2030. This decision is part of an agreement between the company and the Federal Ministry of Economics and Climate Protection and the Ministry of Economic Affairs, Industry, Climate Action and Energy of the State of North Rhine-Westphalia, which was presented today at a joint press conference in Berlin. The decision does not provide for any additional compensation for the company. At the same time, RWE confirmed its plans to invest massively in the energy transition.

Significant CO₂ savings create basis for bringing company onto 1.5-degree path

The agreement to bring forward the lignite phase-out by eight years corresponds to a halving of the previously planned time span. This will leave around 280 million tonnes of coal in the ground corresponding to around 280 million tonnes of CO₂ that will not be emitted. RWE is thus making a significant contribution to ensuring that Germany can achieve its climate protection targets. The company's long-term CO₂ balance will thus once again improve considerably. Even before this decision, the company's strategy was in line with the Paris Climate Agreement. The 2030 coal phase-out is the basis for RWE to now be able to adjust its CO₂ reduction plan to the 1.5 degree path.

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Regulations on adjustment allowance for affected employees

For many employees at RWE, the early exit has a major impact. While more staff will be needed in the short term to operate additional power plants during the energy crisis, staff reductions will accelerate significantly towards the end of the decade. The company welcomes the fact that the German government intends to ensure that legal regulations allow for the use of the adjustment allowance. As in the past, RWE intends to implement the staff reduction process resulting from the accelerated decommissioning in a socially responsible way. The aim is also to give younger employees who cannot retire early an overview of the opportunities within the company or with other employers. Extensive qualification and retraining measures are to support the adjustment path.

High investment in renewable energies and secured capacity

In order for the coal phase-out to be possible, the energy transition must be so far advanced by 2030 that Germany's security of supply is not at risk. This requires a massive expansion of wind and solar power plants, storage facilities and additional secured capacity in the form of state-of-the-art gas-fired power plants that can be operated with hydrogen in the future. The German government intends to create a framework for the construction of these plants in order to facilitate the necessary investments.

RWE will play a major role in driving forward the expansion of these modern technologies. As one of the world's leading companies in renewable energies, the company will invest more than €50 billion gross globally in the expansion of its green core business by 2030, €15 billion of which is earmarked for Germany.

In North Rhine-Westphalia, the company is working to further increase its expansion target of 1 gigawatts (GW) of renewables. The Rhenish lignite area, with its former open-cast mining areas, is a focal point. RWE intends to participate in the necessary expansion of modern H2-ready gas-fired power plants with around 3 GW of power plant capacity. To this end, the company is earmarking former coal-fired power plant sites in NRW to strengthen the structural change of the region and secure industrial jobs.

Coal phase-out in 2030 helps achieve climate protection targets

By bringing forward the coal phase-out by eight years, North Rhine-Westphalia and RWE are once again taking a bold step forward and making an important contribution to achieving Germany's climate protection targets. In order to ensure security of supply during a short period of time after 2030, the German federal government can decide by 2026 at the latest whether the last lignite-fired power plants will be placed on security standby until the end of 2033. These include a 600-megawatt unit and the three modern lignite-fired power plants with optimised plant engineering, which have a total capacity of around 3,600 megawatts (MW). Should they be needed, no more changes are required to the opencast mine planning process. In addition, the recultivation that will start in 2030 will also continue unchanged.



Power stations temporarily remain online to help Germany in the energy crisis

In accordance with the German Coal Phaseout Act, the Neurath D and E power plant units are scheduled to be taken off the grid at the end of this year. Together, the two plants have a total capacity of 1,200 MW. In order to ensure that the available conventional power plant capacity in Germany is not further reduced, the decommissioning of the two units will be deferred until 31 March 2024 and, against the background of the current gas supply situation, remain on the market. Until the end of 2023, the German federal government will have the opportunity to extend the lifetimes or to transfer the units to a power plant reserve. Both options would be limited until 31 March 2025.

Implications of the coal phase-out for the Rhenish lignite mining area

By bringing forward the coal phase-out to 2030, the amount of coal produced at the Garzweiler open cast mine will be roughly halved, and the third resettlement planned at Garzweiler with the villages of Keyenberg, Kuckum, Oberwestrich, Unterwestrich and Berverath, including the three Holzweiler farms (Eggerratherhof, Roitzerhof, Weyerhof) will no longer go ahead. However, the coal under the former settlement of Lützerath, in the immediate run-up to the opencast mine, is needed to operate the lignite fleet at high capacity during the energy crisis and also to extract sufficient material for high-quality recultivation. The necessary permits and court decisions for this have been obtained and all of the original residents have already left the site.

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RWE is leading the way to a green energy world. With an extensive investment and growth strategy, the company will expand its powerful, green generation capacity to 50 gigawatts internationally by 2030. RWE is investing more than €50 billion gross for this purpose in this decade. The portfolio is based on offshore and onshore wind, solar, hydrogen, batteries, biomass and gas. RWE Supply & Trading provides tailored energy solutions for large customers. RWE has locations in the attractive markets of Europe, North America and the Asia-Pacific region. The company is responsibly phasing out nuclear energy and coal. Government-mandated phaseout roadmaps have been defined for both of these energy sources. RWE employs around 19,000 people worldwide and has a clear target: to get to net zero by 2040. *On its way there, the company has set itself ambitious targets for all activities that cause greenhouse gas emissions. The Science Based Targets initiative has confirmed that these emission reduction targets are in line with the Paris Agreement.* Very much in the spirit of the company's purpose: Our energy for a sustainable life.

Forward-looking statements

This press release contains forward-looking statements. These statements reflect the current views, expectations and assumptions of management, and are based on information currently available to management. Forward-looking statements do not guarantee the occurrence of future results and developments and are subject to known and unknown risks and uncertainties. Actual future results and developments may deviate materially from the expectations and assumptions expressed in this document due to various factors. These factors primarily include changes in the general economic and competitive environment. Furthermore, developments on financial markets and changes in currency exchange rates as well as changes in national and international laws, in particular in respect of fiscal regulation, and other factors influence the company's future results and developments. Neither the company nor any of its affiliates undertakes to update the statements contained in this press release.



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