



Dr Markus Krebber
CEO of RWE AG

BASF and RWE press conference

Ludwigshafen, 21 May 2021

Check against delivery.

Martin Brudermüller,

Michael Vassiliadis,

Ladies and Gentlemen,

Two global players, one common goal: To contribute innovatively to a substantial reduction in CO₂ emissions – an additional reduction to be achieved as quickly as possible to exceed the current political targets for 2030.

Germany is intensifying its climate targets. Being ambitious is as necessary as it is the right thing to do with regard to the expansion of renewables and the transformation of the industry. -It is paramount now to act quickly and create long-term prospects, and thus accelerate the pace of the energy transition.

The expansion of renewable energies like for example offshore wind, requires long lead-in times. The decisions we take now will determine the outcomes of the second half of the 2020s.



We're all in for action. BASF and RWE are presenting a specific proposal today, a flagship project with benefits for all: climate protection, society, industry as well as – first and foremost - our employees. Upon successful completion, this project will have a positive impact on jobs. I'm therefore very pleased to have Michael Vassiliadis here with us today.

The destinies of climate protection and industry are intertwined: Protecting the climate requires the transition to CO₂-neutral production processes. At the same time climate protection also requires a competitive industry to act as an accelerator for employment and prosperity.

Our project is designed to help make our industrial base fit for the future. It shall serve as an example of collaboration between different sectors, which other companies can use as a blueprint.

So what exactly do we intend to do?

Industry needs green electricity, and it will also need CO₂-free hydrogen in the future. We want to ensure that the green electricity that's needed in large volumes is available to Ludwigshafen as a location of the chemical industry.

It's a task for which RWE is perfectly well positioned as one of the global leaders for generating electricity from wind and solar.



We're number two in offshore wind power globally. We have vast experience along the entire value chain. From plant design to construction and operation, we're focusing on the most advanced technologies.

Offshore wind power is by far the most effective form of renewable electricity generation. That's why it also plays a key role in our flagship project.

We would like to build, and operate, a new, additional offshore wind farm in the North Sea for this purpose. With a capacity of about 2 gigawatts, it would be one of the largest offshore projects worldwide.

We are suggesting that policy-makers open an additional call for tenders that will exceed the planned expansion of offshore wind turbines between today and 2030. And that the tender should focus on the transformation of the chemical industry. Financial support of the government for the construction of the wind farm would not be necessary.

There are areas in the North Sea marked out on the Site Development Plan and Grid Development Plan for the period after 2030. To be able to use them for our project, the grid connection would need to be brought forward by only a few years. We'd like to start talks with the respective authorities to explore how that could be done.



That also applies to the connection to the onshore grid. Most of the green electricity shall be transported directly from the North Sea to Ludwigshafen, in a way that will avoid any bottlenecks in the grid. We'd be very happy to discuss our ideas with the German Federal Grid Agency, the transmission system operators and the Ministry of Economic Affairs.

Our plan is to implement this project by 2030. For this to succeed, we'd like to start as soon as possible. Adapting the Site and Grid Development Plans, the call for tenders, developing the wind farm, the grid connection and the construction process – all that will take at least seven years in total. That means there's no time to lose!



Ladies and Gentlemen,

In addition to the activities in Ludwigshafen, our project includes a further important element: We want to use 20 per cent of the green electricity from the new offshore wind farm to produce hydrogen. We are planning for a capacity of about 300 megawatts for the electrolyser. That would make it one of the largest in Germany.

Where the electrolyser should be built will depend on the best onshore location for feeding in the wind power from the North Sea. The locations of our power stations in North-Western Germany give us several options. The green hydrogen could be used by other industrial customers as well, which would save more than 1 million tonnes of CO₂ each year. That would therefore have an additional effect in terms of climate protection in Germany.

Ladies and Gentlemen,

Together, our teams at BASF and RWE have worked hard for many months on this proposal, which is intended to bring political will and practical implementation together.



Our proposal is now on the table:

- We want to contribute to a thriving German industry base and to ensuring jobs and prosperity for our country.
- We want to accelerate the energy transition and the expansion of renewable energies in order to achieve the ambitious climate targets – without jeopardising the plans that are already in place. On the contrary, our proposal can be seamlessly integrated.
- We want to use innovative technologies to achieve an additional saving of almost 4 million tonnes of CO₂ per year.

The support of the respective authorities in policy-making and administration is paramount, , in particular:

- The additional call for tenders for offshore wind parks before 2030
- relieve green electricity from the EEG levy and connecting the wind farm to the grid.



- To make hydrogen commercially viable several action points need to be tackled as well:
 - That applies to both grid fees and subsidy schemes.
 - as well as an appropriate financial and legal framework to enable a fast market ramp-up.

There has been a lot of discussion already. It is key now to take political decisions to move as swiftly as possible from intention to action to make investments in innovative projects attractive. Only then will competition for ultra-modern technologies develop and thrive.

Only then will we succeed in achieving the ambitious targets.

Now we look forward to the statement of Michael Vassiliadis.