VEREIN DER KOHLENIMPORTEURE E.V.

Hamburg

PRESS CONFERENCE in Düsseldorf on 23 July 2015

Presentation by Dr Wolfgang Cieslik

(Oral comments are authoritative)

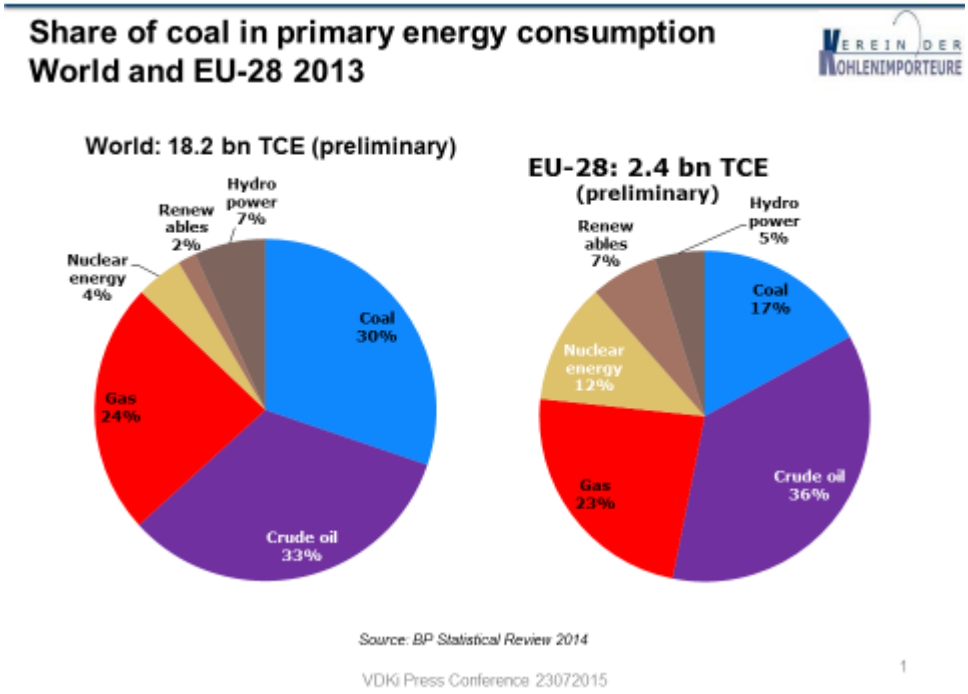
There are 2 main points we would like to discuss with you during today's press conference:

1. As every year, we have an overview of developments on the coal markets in 2014, both
   - internationally and
   - nationally as well as in Europe along with an initial outlook for 2015.

2. Second, we want to examine the latest developments in energy policies, which are relevant for the role played by hard coal-fired power plants.

In the handout you will find some relevant material about this press conference. You have also been provided with a freshly printed copy of the Annual Report for 2015 – Facts and Trends 2014/2015 – containing 140 pages of information about the global hard coal market.

1. World hard coal market – 2014

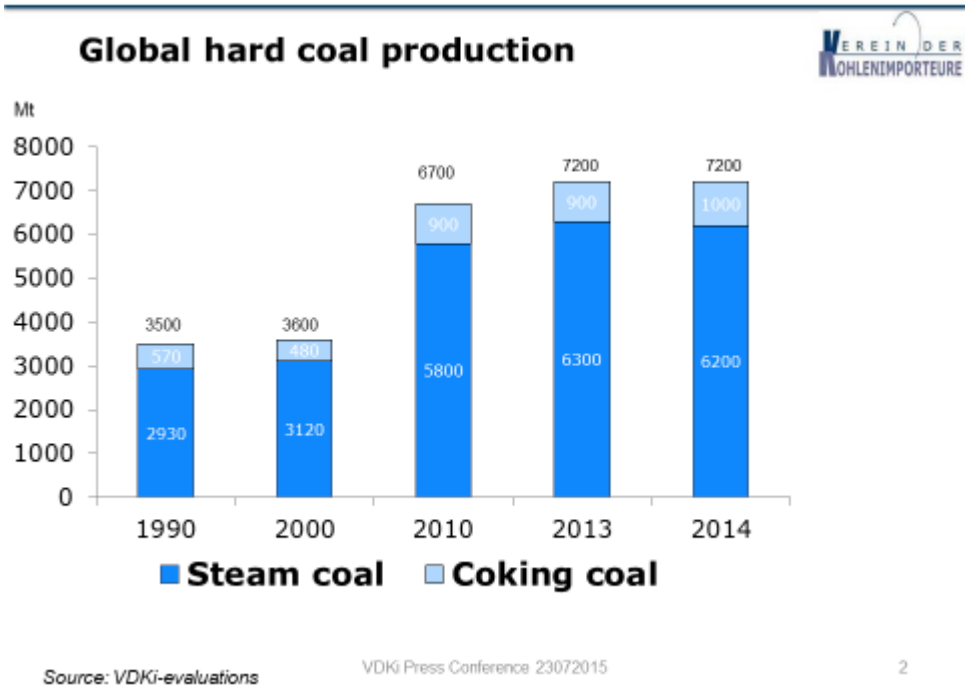


According to initial estimates by BP in the "Statistical Review 2014", global energy consumption increased by 2.1% in 2013 to 18.2bn TCE, compared to 17.8bn TCE in 2012. The backdrop to this development is provided by stronger economic growth in India, Europe, the USA and a number of emerging countries, which were able to compensate

for the rather lower growth rate in China. Consumption of primary energy (PEC) in the EU-27/28, on the other hand, showed a slight decline of 0.3%.

While the increase in global demand for oil and gas was low at 1.2% for both of these energy sources, coal consumption again showed the highest rate of increase after renewable energies. The growth rate compared with 2012 was 2.8%.

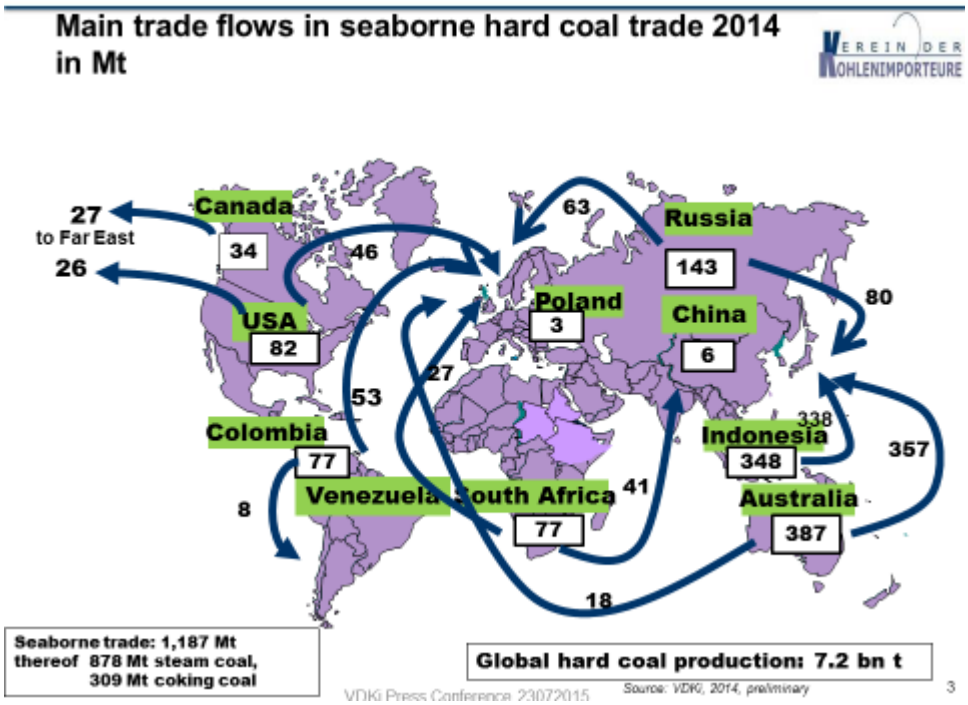
In China, coal-fired power generation decreased for the first time by 0.3% in 2014. Coal contributed around 30% to the satisfaction of global energy consumption. Coal is therefore the leading 21st-century primary energy source and has remained so over the past five years as far as its average rates of increase are concerned – even though the tempo has slowed down. In the USA, the proportion of power generation accounted for by coal increased from 37% in 2013 to 39% in 2014. In Europe, on the other hand, according to estimates by the European Commission, PEC showed an overall decline of 25m TCE to 2.37bn TCE, which also had a proportionate impact on coal consumption.



Global production again remained at a high level in 2014 and, according to our provisional calculations, again totalled just over 7.2bn tonnes. It breaks down approximately into around 6.2bn tonnes of steam coal and 1.0bn tonnes of coking coal. From a regional standpoint, however, there were significant differences in comparison with the previous year. The slight decrease in steam coal production was compensated for by higher coking

coal production. BP estimates for 2013 that the production of coal (including lignite) grew by 2.8% in global terms. For 2014, we are forecasting global growth of around 2%. For this year, we are tending to assume that stagnation will prevail.

Between 2000 and 2014, worldwide production of hard coal doubled from 3.6bn tonnes to 7.2bn tonnes, with steam coal growing by 100% from 3.1bn tonnes to 6.2bn tonnes and coking coal by more than 300% from 280m tonnes to 1bn tonnes. This impressive trend, too, should be mentioned in connection with the security of the primary energy supply.



World trade in hard coal totalling 1,272m tonnes in 2014 represented an increase of 35m tonnes, or around 3%, in comparison with the previous year. Seaborne trade and domestic trade developed as follows:

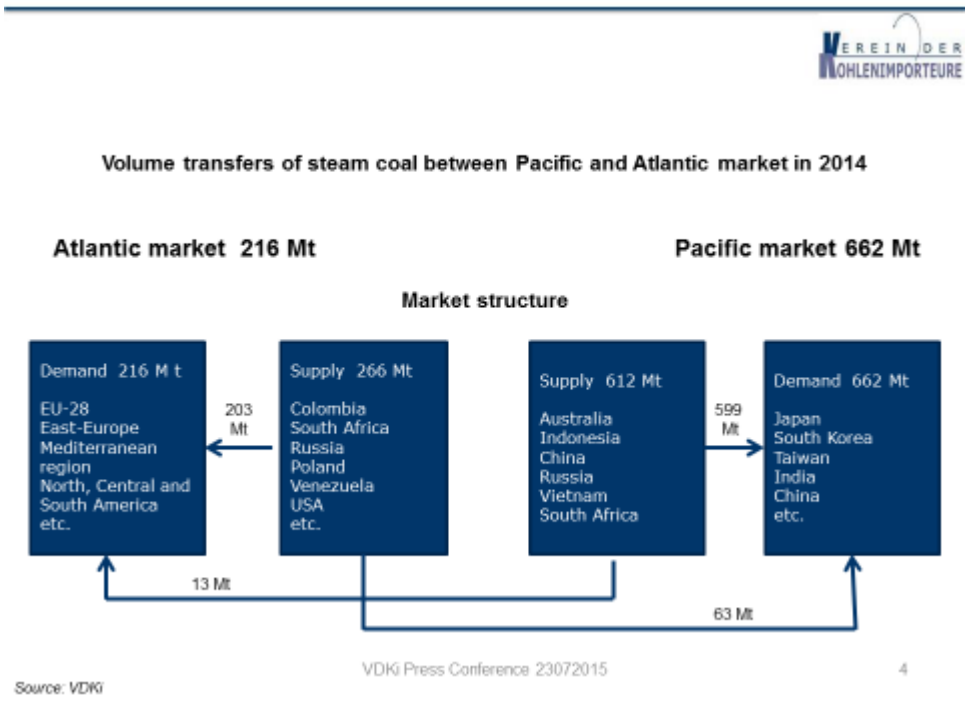
Seaborne trade increased by 45m tonnes to 1,187m tonnes, or around 4%, while domestic trade fell by 10m tonnes, or almost 12%, to 85m tonnes.

Seaborne trade breaks down into steam coal and coking coal trade:

- The steam coal market grew slightly by 15m tonnes, or 1.7%, to 878m tonnes;
- The coking coal market grew by 30m tonnes, or 10.8%, to 309m tonnes (10.8%).

The slowdown in the growth of the world economy, the increased replacement of coal for power generation with less expensive shale gas in the USA and the further expansion of renewable energies in some of the OECD countries and in China led, however, to a noticeable deceleration in the growth of the world hard coal market in comparison with previous years.

This trend on the global seaborne coal market shows once again that the biggest production and import nations are to be found in the southern Asian region. The following development could be observed on the steam coal market in 2014: although China, with 228m tonnes, is again the biggest coal importer and has emphatically supplanted Japan, which has 188m tonnes. India has now advanced to claim second place with its 215m tonnes. In the EU, Germany and the United Kingdom were the biggest coal importers in 2014.



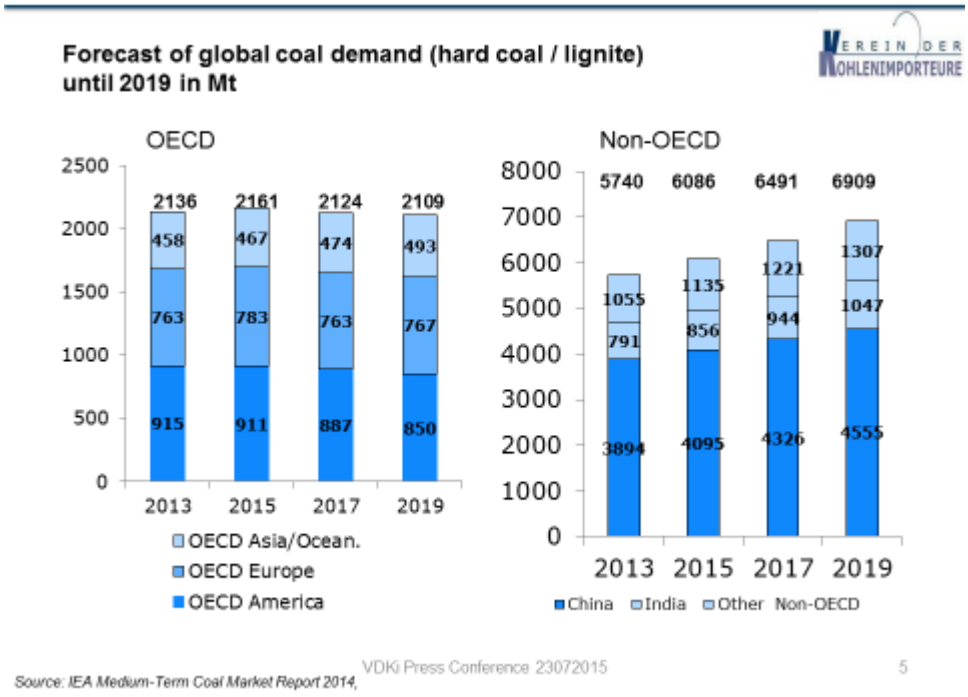
In the Atlantic region – i.e. the east coasts of North, Central and South America, Europe including the neighbouring Mediterranean countries, and the northern and western coasts of Africa – demand increased in 2014 by almost 30m tonnes, or 16%, to 216m tonnes. The proportion of the overall market accounted for by the Atlantic market increased from 22% to 25%. Demand in the Pacific region, on the other hand, fell for the first time in many years – by 14m tonnes to 662m tonnes.

The volume exchange between the Atlantic and Pacific steam coal submarkets decreased by 20m tonnes compared to the previous year to 76m tonnes and accounted for only around 6% of the overall steam coal market. All in all, 17% of global steam coal production reached consumers by way of seaborne trading.

Outlook 2015 – international

Regarding the outlook for global coal trading, two questions arise: firstly, whether the years of growth might now be over and secondly whether the low prices have now bottomed out and are set to develop into a renewed upward trend.

The **forecasts for the global economy** are showing an upward trend for 2015 with anticipated growth of 3.5% in gross domestic product globally, 3.1% in the USA and 1.3% in the Eurozone. As there is a correlation between demand for hard coal and economic growth, the conditions for an upward trend would appear to be present.



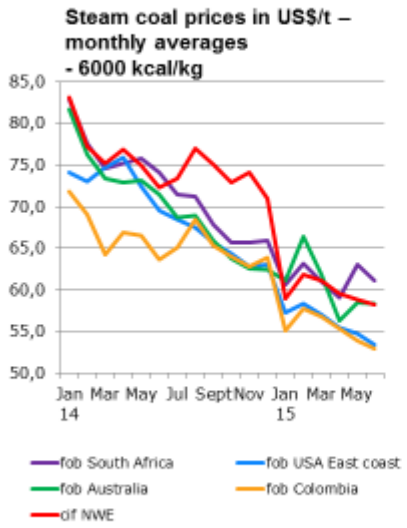
According to an estimate by the IEA, **demand for coal** in the years ahead is going to increase **globally** by an average of **2.1% per year**. In absolute figures, that means an increase in demand from 8,247m tonnes in 2015 to 9,018m tonnes in 2019. The highest level of demand for additional quantities of coal will be shown by China with +661m tonnes and India with +251m tonnes in the five-year period. This means that by 2019, India will

have overtaken the United States as a consumer of coal. The pace of growth will then slow down further – from annual growth of 5.3% in the period from 2005 to 2010 to a growth rate still at 2.1% in the period from 2015 to 2019. The lion's share of this growth will take place in the non-OECD states with growth rates of 3% per year.

The reality is very close to the forecast: preliminary calculations by the VDKi for the first three months of 2015 indicate that the seaborne world market rose by just under 3% (8m tonnes) in comparison with the same period last year. Indonesia (+4m tonnes), Australia (+5m tonnes) and Colombia (+6m tonnes) increased their exports particularly strongly, while the USA (-5m tonnes) and Vietnam (-2m tonnes) cut back their exports. The other countries remained at their 2014 level.

Europe, on the other hand, has an oversupply of steam coal. This situation is accentuated by the further expansion of renewables, particularly in Germany and the UK, which will further reduce the peak use hours and therefore the demand for coal in the hard coal-fired power plants.

Despite these positive figures, the price developments can only be described, succinctly as "oversupply meets subdued demand".



Development of fob-spot-prices (monthly averages) in US$/t of important supplying countries – 6000 kcal/kg

Region	1.1.14	31.12.14	10.7.15
Atlantic suppliers:			
Richards Bay	83	66	57
Bolivar	72	64	52
US East Coast	74	63	53
Russland (Baltic)	78	66	52
Pacific suppliers:			
Newcastle	82	62	59
Quinhuangdao	115	101	75
Kalimantan	75	62	53
Russland (Fareast)	86	68	56

Source: McCloskey and other – own evaluations

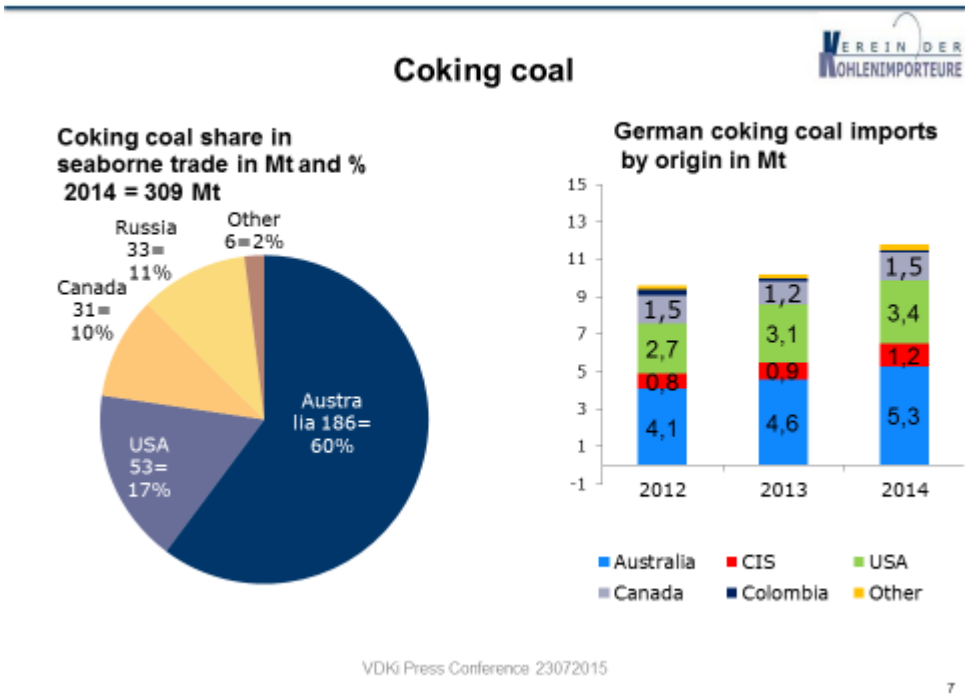
VDKi Press Conference 23072015

6

The development whereby a global oversupply of coal meets an insufficient increase in demand since 2011 continued in 2014. The pressure on prices consequently persisted in 2014 as well. In the period from January 2014 until today alone (10.7.2015), the prices for steam coal FOB Colombia declined from 72 US$/t to 52 US$/t, i.e. by approximately 30%.

Demand for steam coal in the Atlantic region has likewise remained rather weak between January and the present day. Accordingly, the further development of the price for steam coal will depend largely on the development of the Asian markets in particular, which in turn depend on the needs of China and India. Our research indicates that demand has fallen most markedly in China, while it has increased modestly in India. All in all, we do not expect to see a significant increase in coal prices in the near future.

<u>Coking coal and coke</u>

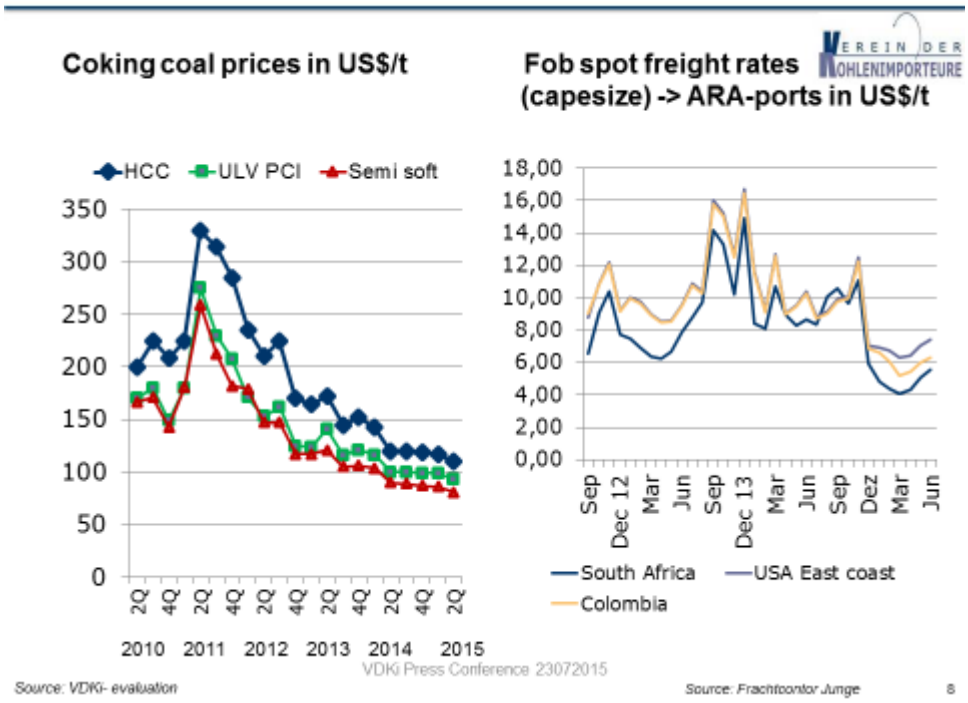


Global production of crude steel reached a new all-time high of 1,661m tonnes in 2014. The modest increase of 1.2% or 19m tonnes occurred mainly in Asia (+ 1.4%) and in the Middle East (+ 7.7%). Production was not increased in Europe or North America either, while it was reduced in Russia, South America and Australia. The pig iron production that is so significant for coking coal, PCI coal and coke consumption increased by only 13m tonnes, or 1%, to 1.18bn tonnes.

The supplier structure on the seaborne coking coal world market, which in 2014 grew by 30m tonnes to a total of 309m tonnes, has not changed significantly. While Australia's market share has increased in absolute terms by 15m tonnes, in relative terms it has now fallen by one percentage point to 60%. The USA and Canada, by way of contrast, lost market shares and now jointly account for 27% of the market. Russia managed to double its share to 10%.

Worldwide coke production is stagnating at around 682m tonnes. The world coke market, on the other hand, is only a very small market with 19m tonnes and a share of 2.8% in worldwide coke production.

Prices



The downward trend in coking coal prices persisted in 2014. As a result of low growth in demand, accompanied by a significant increase in supply and the insufficient decommissioning of mines around the world, both coking coal and coke prices decreased in 2014. While prices of between 127 and 132 US$/t were still being paid for coking coal at the beginning of 2014, this price fell to below 113 US$/t by mid-2014 and remained steady there within a fluctuation range of 110-113 US$/t until the end of 2014. Any belief that the market had bottomed out, however, was crushed at the beginning of 2015, when

prices again came under pressure and fell to 100-102 US$/t up until March. The main reason for this is the reduced production of iron and steel around the world.

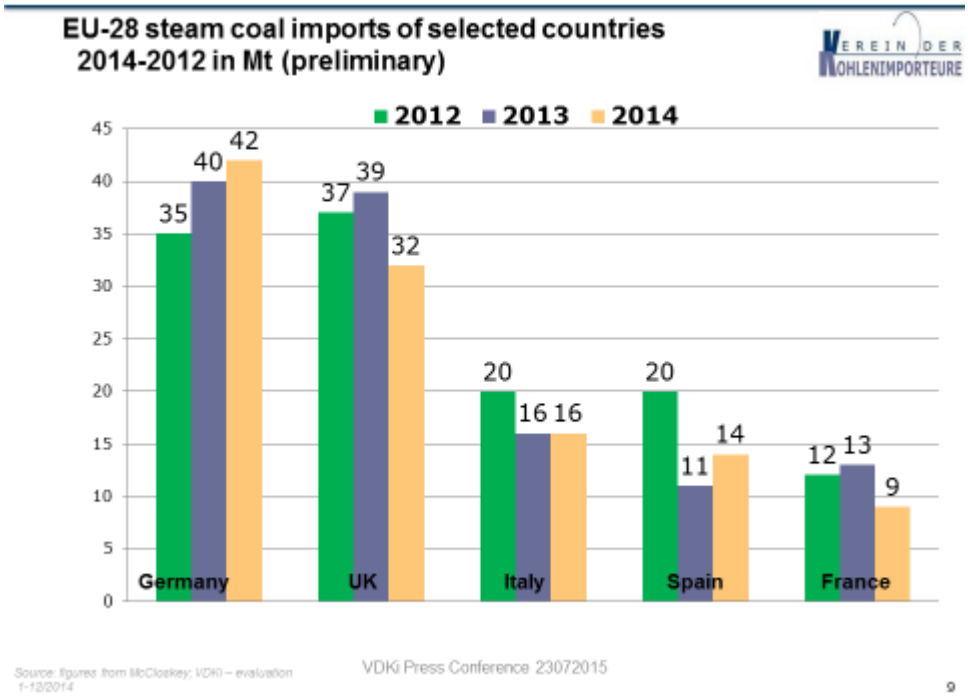
The price for a tonne of coke FOB China fell along with the coking coal prices and amounted to some 240 US$/t at the beginning of 2014. In the further course of the first half-year of 2014 the price was fluctuating between 195 US$/t and 237 US$/t and then falling continuously again in the second half of 2014 until it reached 178 US$/t.

Germany imported 11.8m tonnes of coking coal in 2014, 15% more than in 2013 (10.2m tonnes). The main supplier countries for Germany are Australia, the USA and Canada.

Freight rates

This is another market characterised by overcapacities and low prices. In 2014, the Baltic Dry Index (BDI), which is calculated from the indices of the four ship groups Capesize, Panamax, Supramax and Handysize, again surrendered the slight recovery that it had made in 2013 with 1,206 points. By April last year, the BDI had fallen to below 1,000 points and in the second half of the year it reached its all-time low of 723 points. The reasons for the persistent weakness of the freight market are overcapacities in freight space without any commensurate increases in demand, and a shift of ore and coal imports to the Pacific (in other words Australia) instead of the Atlantic (in other words Brazil for iron ore, the USA and Canada for coking coal) with correspondingly shorter routes. Aside from divergences at short notice caused by seasonal factors, the weekly freight rates for the route Colombia - ARA fluctuated within a range from 6-14 US$/t.

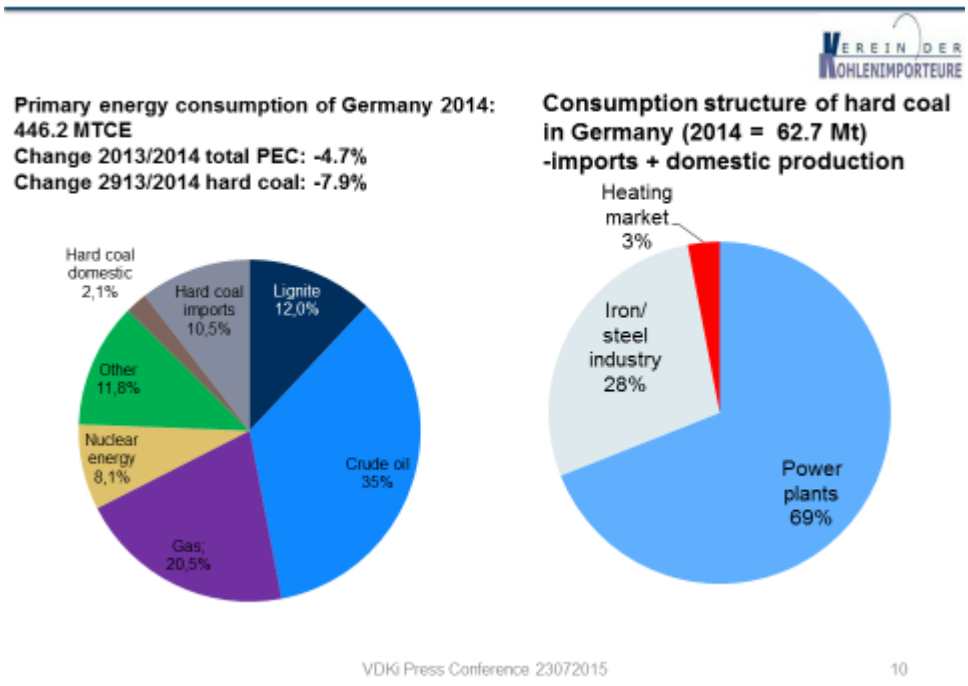
Europe



As a result of the sluggish economic growth in many European countries, primary energy consumption in the EU-28 – according to information from the European Commission in 2013 (the latest available data) – fell by 25m TCE to 2.37bn TCE. The proportion of PEC accounted for by renewable energies, including hydroelectric power, increased to 12% in 2013. Despite the expansion of renewable energies, conventional energy sources – including nuclear energy – are dominant with an 88% share of energy supply in the 28 EU countries.

Coal, gas and oil contributed to this with a collective share of 76%. Only the proportion accounted for by coal did not increase in Europe, remaining at 17%. Production of hard coal in the EU-28 is still on a downward trend. It fell from 115m tonnes to 108m tonnes. Hard coal imports, too, posted a slight decline from 214m tonnes in 2013 to 205m tonnes in 2014. Of the hard-coal producing countries, Poland remains the leader with almost 73m tonnes of coal produced.

Germany

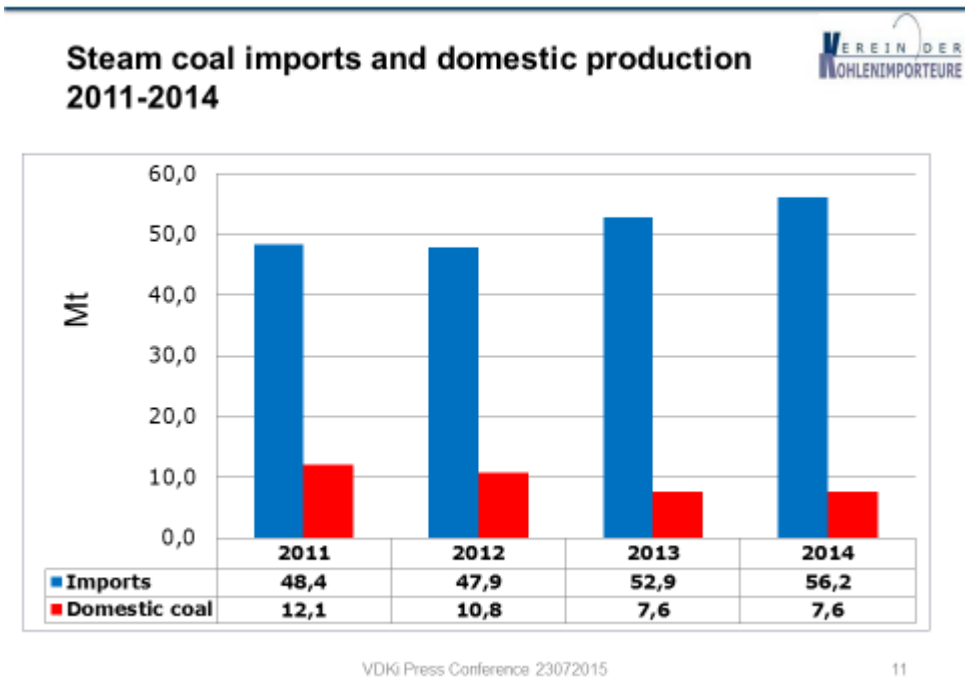


Demand:

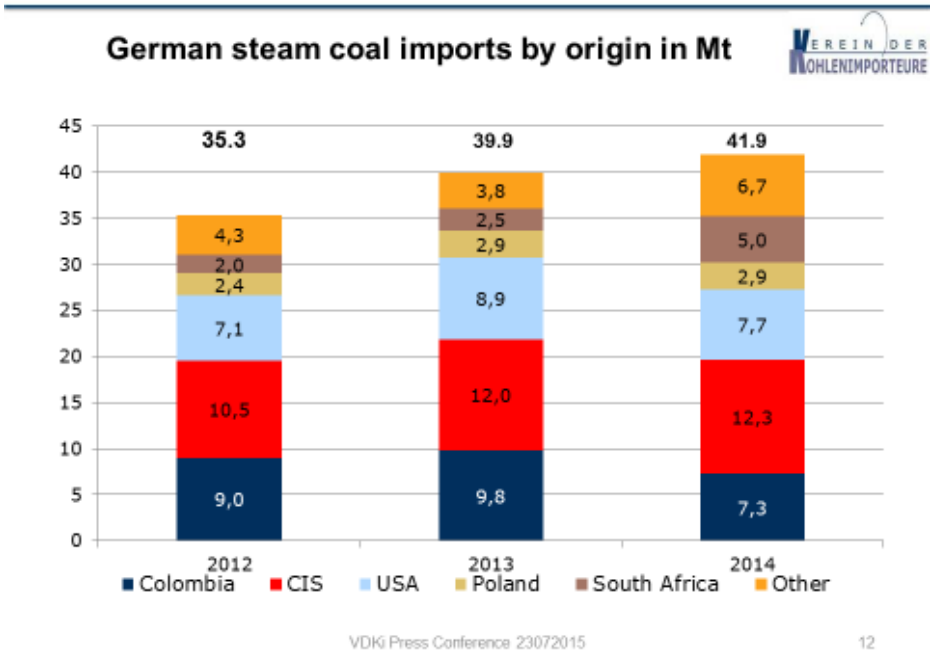
In 2014, according to provisional calculations by the "Working Group on Energy Balances" (AGEB), demand for primary energy decreased by around 5% to 446m TCE. This represents a fall of 22m TCE. This means that consumption of primary energy in Germany has reached its lowest level since reunification. Making reference to the provisional nature of the AGEB's calculations is particularly justified this year: the official statistics do not yet include the 10-12 TWh of power generated and the corresponding consumption of hard coal at the new built hard coal-fired power plants Lünen and Walsum in their first year of normal operations. The crucial influencing factor for the sharp drop in energy consumption, however, was the milder weather compared with 2013. If the weather's influence is not taken into account, energy consumption would have been only around 1% lower than in the previous year. The mild weather had a dampening effect on consumption across the range of energy sources – with the exception of renewable energies.

Consumption of German and imported hard coal thereby also decreased, being down by 4.8m TCE or almost 8% to 56.2m TCE. This left hard coal with a 12.6% proportion of PEC in 2014, which was still the third-largest supply contribution to the energy mix in Germany. While coking coal and coke consumption in the steel industry posted a slight increase of 1.1% to 17.8m TCE in Germany in 2014, the use of steam coal for power generation and heating, which accounts for more than two-thirds of aggregate demand for hard coal in Germany, decreased by around 11% to 38.4m TCE.

Supply/Imports:

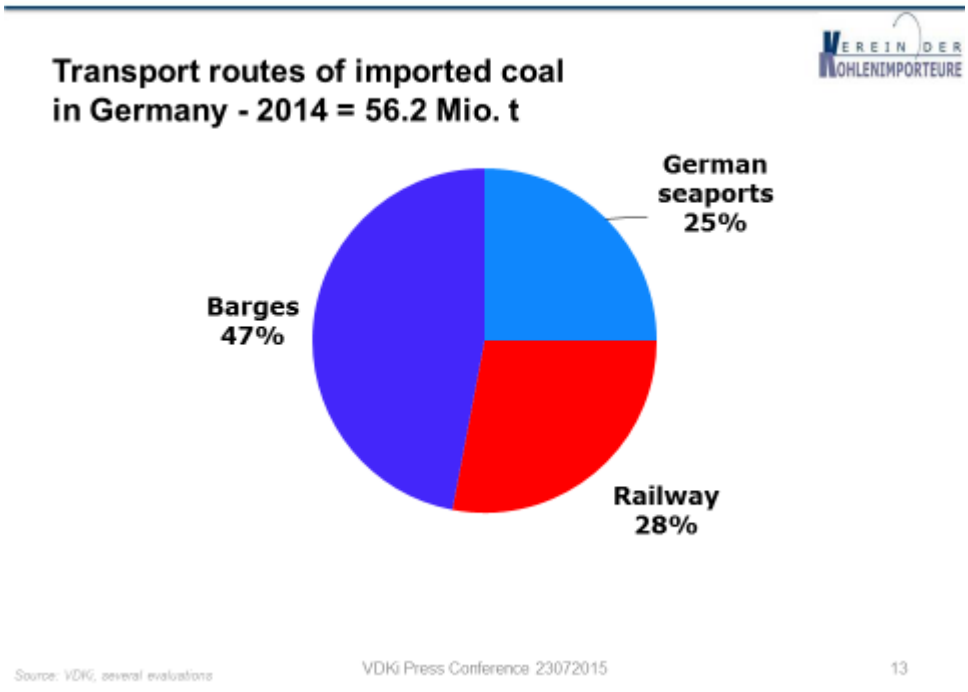


Demand for hard coal was met by imports in the amount of 86% and by domestic coal only in the amount of 14%. The aggregate import of hard coal and coke, however, **reached an all-time high of 56.2m tonnes in 2014**, the highest total since the establishment of the European Coal and Steel Community in 1952, and again improved year-on-year, this time by just over 6% or 3.4m tonnes. The imports break down into 41.9m tonnes of steam coal including anthracite, 11.8m tonnes of coking coal and 2.5m tonnes of coke.



As regards steam coal, Russia, the USA and Colombia basically covered the import requirements. After many years with over 5m tonnes, South Africa supplied around twice as much steam coal as in the preceding years.

Across the range of products – steam coal, anthracite, coking coal and coke – Russia, the USA and Colombia were Germany's most significant partners in 2014. The USA reduced its exports to Germany because of the low global market prices, which frequently fail to cover the production and transport costs as far as the east coast. The volumes that arrived last year had often been purchased 1-3 years beforehand and their prices were hedged at a higher index. On the spot market, US coal is hardly obtainable at present.



The just over 56 million tonnes of imported coal were supplied via

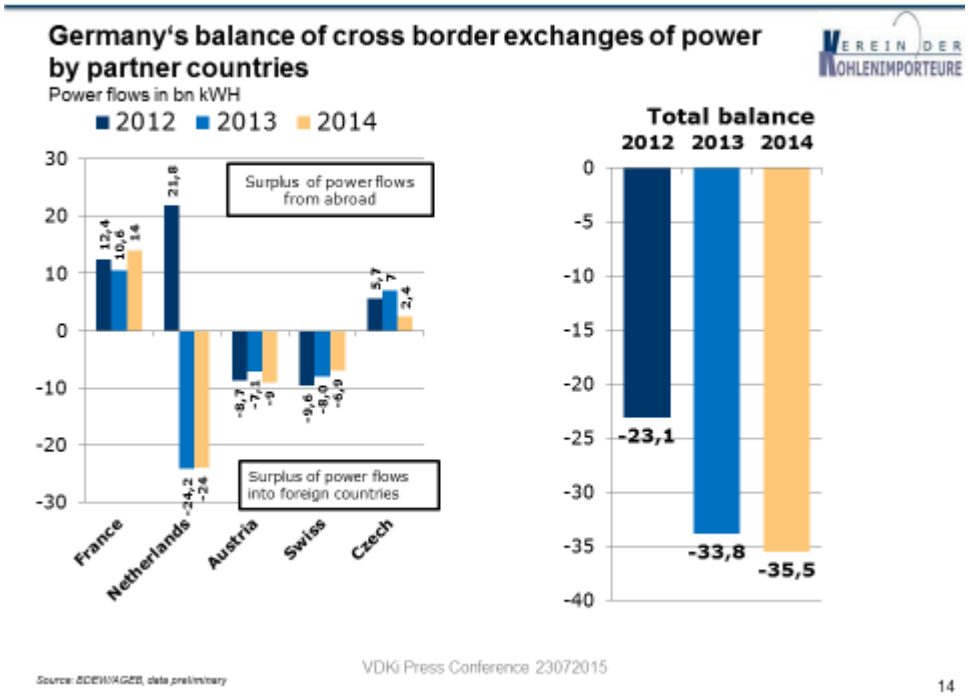
- Inland waterway vessels (47%)
- German seaports (25%)
- Rail (28%)

to end consumers.

Inland navigation has an important logistical role with almost 26m tonnes of hard coal transported. This coal accounts for more than 11% of the aggregate goods volume transported by inland vessels, which amounts to 228.5m tonnes. This corresponds to approximately 9,000 to 10,000 shipping operations across all sizes of vessel per year and underlines the importance of coal imports for German inland shipping and inland ports, and vice versa.

Another pricing element in the steam coal segment comprises the prices for CO_2 certificates, which, as a result of the sluggish economic situation in many EU countries, are abundant and, in accordance with market mechanisms, their prices to date have been correspondingly low. Politicians had been expecting a much higher price in this area. That is why the EU is pressing ahead with its reform of trading with carbon dioxide rights. I shall return to this subject shortly. In the years from 2015 to 2018, prices – following the withdrawal of 900 million certificates by the European Commission – will be rather higher at between 7.50 and 8 euro/t CO_2.

Now to power generation: the proportion of power generated from hard coal has fallen by 10%, but the cross-border volume of power trading has reached a new all-time high at 114 TWh.



In 2014, the sum total of power imports and power exports reached a new all-time high at almost 114 TWh, or around 20% of gross power generation. Exports increased by a robust 3% or 2.2 TWh and totalled 74.4 TWh, another all-time high. By far the largest

proportion of this increase is accounted for by power flows in the direction of the Netherlands. The result of the European "merit order" system was that gas-fired power plants were pushed out of the market and increased quantities of power from coal-fired power plants were procured on the German market.

While politicians are always enthusiastic about German exports, this seems not to be the case with power.

The share of gas as an energy source for power generation declined further by 13.7 compared with 2014.

The advantage of coal compared with the gas in the "clean dark spread" fluctuated between 2 and 25 €/MWh last year. This positive result for hard coal does not mean, however, that power revenues are sufficient. On the contrary, they are not sufficient at all thanks to the distorted low prices on the EEX caused by the priority feeding-in of renewable energies, especially photovoltaics, which have marginal costs of zero and are compensated separately pursuant to the EEG. At most, they generate a small marginal income above the variable costs. In the long run, this means that there will barely be enough to keep going. Or, as the Economic Council Germany put it, "Those who deliberately force coal-fired power stations into the red are increasing costs for consumers and causing deindustrialisation".

<u>Outlook 2015 – Germany</u>

Outlook 2015
Steam coal imports into Germany 2014/2015

	2014 (preliminary) Mt	2015 Outlook Mt
Steam coal	41.9	38.0
Coking coal	11.8	12.0
Coke	2.5	3.0
Total	56.2	53.0

Source: VDKi

VDKi Press Conference 23072015

15

What will 2015 be like? Let me venture a forecast. For 2015 we are expecting a stagnation or a slight decline in hard coal imports over the year as a whole. Although energy consumption in Germany in the first three months of the year was almost 5% higher than in the same period last year, the main cause of this increase is the considerably cooler weather. Consumption of hard coal in the first quarter of 2015 was 2% lower than in the previous year, even though steam coal imports increased by 21% or 0.5m TCE during this period. For the year as a whole, however, we are not so optimistic and estimate that steam coal imports might again decline by up to 10%. All in all, we estimate that at 53m tonnes, we will import around 5% less hard coal than in 2014. According to information from the German Steel Federation, steel production in Germany was down by 1.5% in the first half of 2015 while pig iron production was 2.9% below its level of the previous year. This suggests that production will tend to decrease over the year as a whole, even though we were much more optimistic at the start of the year.

We are also cautious about the situation with regard to steam coal. Although our provisional calculations suggest that imports of steam coal until the end of April 2015 increased by 10.3% compared with the same period last year, we are generally expecting imports to stagnate or decline slightly over the year as a whole. Power generation from hard coal-fired power plants was down by 2.4% in the first four months of 2015. The sunny and windy weather has so far favoured power generation from renewable energies to the disadvantage of hard coal.
So much for the coal market.

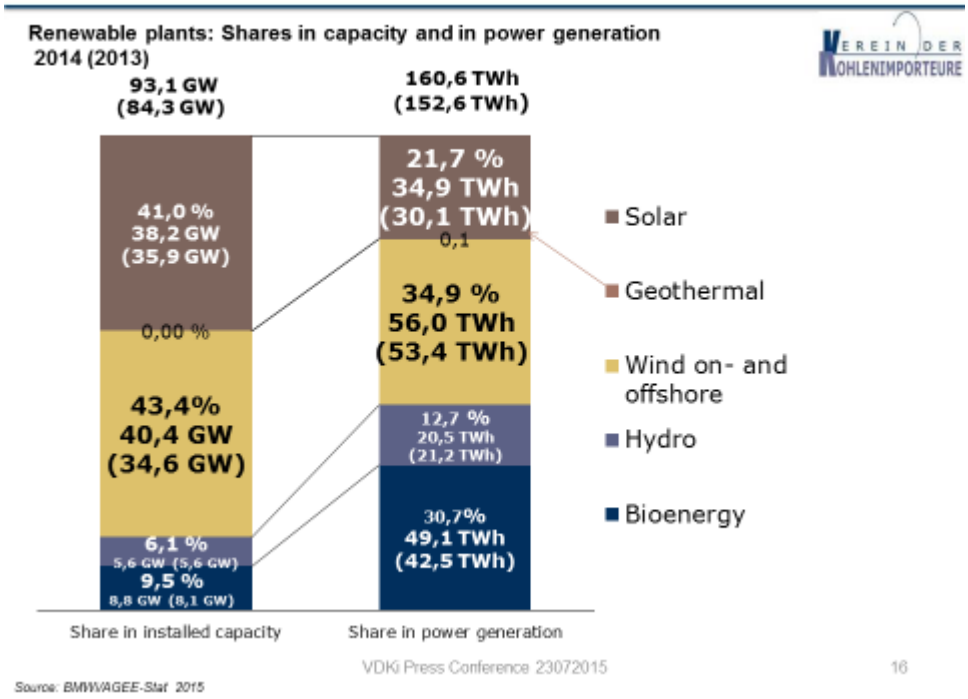
2. Energy policy

The accelerated energy turnaround constitutes an attempted fundamental restructuring of the entire energy supply system. This is a process designed for the long haul and not – as many people would have us believe – one that can be implemented in double-quick time. The goal is that by 2050 at least 80% of the power generated should originate from renewable energies. Power generation from renewable energies, however, is not competitive and this is highly likely to remain the case in the future. This, at least, was the conclusion drawn by the Council of Experts in its annual report in 2015. And the experts are also asking what function the construction of wind and solar power facilities on such an uncompetitive scale is supposed to have in Germany if the overriding objective is

global climate protection rather than, say, climate protection in Germany or Bavaria or Berlin.

The expedient instrument for climate protection is the European market for CO_2 emissions certificates, which ultimately has to be raised at supranational level. And the price, furthermore, must be determined by the market and not by politicians. In this respect, we are criticising the political influence being exerted on the emissions trading system and the European Commission's regulatory interventions regarding certificates already issued. We had a foreboding that the "backloading" was not an occasional withdrawal of 900m tonnes of CO_2, but rather a final relocation into a reserve into which further rights, too, are scheduled to flow from 2019 onwards until a greater scarcity of certificates comes about, forcing up prices until a price more agreeable for the politicians has been achieved.

In the meantime, the expansion of renewable energies continues to progress as the increase in subsidies in the form of the EEG levy shows:



With 26% or 160bn kWh, more power was generated from renewable energies than from lignite for the first time. The expansion of wind energy plants, too, increased significantly in 2014 with more than 6,000 MW. In overall terms, 40,500 MW of wind energy capacity had been installed by the end of the year in Germany, from which 35% of the power was generated from renewable energies. The expansion of photovoltaic capacity was around

2,500 MW last year. This means that by the end of last year, photovoltaic plants with a total output of 38.2 GW, distributed among about 1.5 million systems, had been installed. This corresponds to 41% of the entire installed capacity of renewable energies – whose aggregate contribution to gross power generation in Germany, however, only makes up about 6% of the total. This has nevertheless had a negative impact on any further reduction in wholesale prices and on a reduction in the peak use hours in the hard coal-fired power plants.

At this point, I shall quote the German Council of Economic Experts again, as the coal industry is perhaps not being given the credit it deserves. In their annual report 2014/2015, the experts criticise the costs of adding further renewable energy. For the plants already installed within the scope of the EEG, there will be future payment obligations amounting to some 300 billion euros, with subsidies accounting for around 192 billion euros of that sum. In the past five years in particular, the overall costs of the EEG have increased dramatically, say the experts, because politicians had reacted far too late to the rapid decrease in costs for the facilities with appropriate adjustments in the feeding-in tariffs, especially with PV.

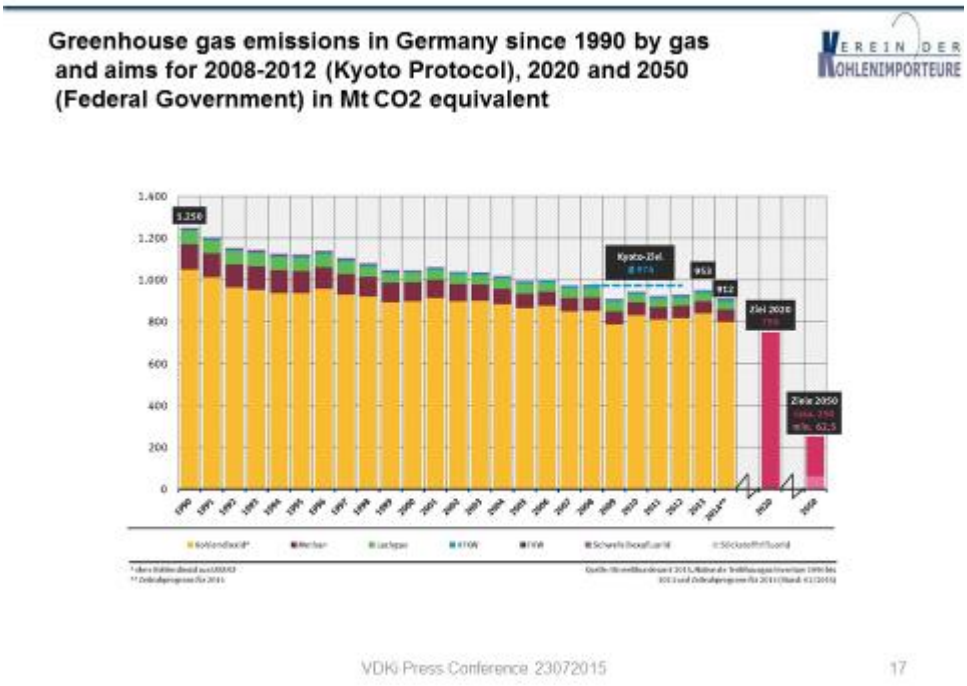
The experts also excoriate the amendment to the EEG:
The EEG reform that came into effect on 1 August 2014 had as its central objective – and I quote – "to safeguard the affordability of the energy turnaround for citizens and business and to limit the burdens for the system as a whole". The new EEG is a small step in the right direction. Even after the latest EEG amendment, though, the future expansion of renewable energies is not going to be achieved with the lowest possible subsidies. Moreover, the distortions in the merit order system will remain.

The overall burden arising from the EEG reallocation charge increased in 2014 by € 3.5 billion to € 23.5 billion. Although the reallocation charge has been reduced by 0.07 cents to 6.17 cents/kWh for 2015, this reduction is attributable not to the EEG amendment, but to the weather in 2013. The impact on wholesale prices, however, is devastating. With these prices, no gas-fired power plant is economical and the margins of the hard coal-fired power plants, too, are a long way from securing sustainable operation.

What we need now is a regulation, which guarantees hard coal-fired power plants a profitable basis in the long term as well. This is

- urgently necessary for securing the supply of power and heat
- in respect of the affordability of the power and heat supply and
- for safeguarding a successful transformation of the energy turnaround.

Politicians, however, apparently have no desire to go in this direction.



On the contrary, they want to use the "climate protection 2020" action programme adopted towards the end of last year to secure their ultimately arbitrary goal – which originates from the time of nuclear energy's prolongation – of reducing greenhouse gas emissions in Germany by at least 40% between 1990 and 2020.

In 2013, 953m tonnes of GHG were emitted, a reduction of 23.8% compared with 1990. Since, according to the environment ministry, energy is the sector with the highest GHG emissions and the highest reduction potential, it quickly became clear who would have to make the decisive contribution to plugging the gap: the coal-fired power stations. So in December last year, the Federal Government summarily decided that the fossil power plants should make further savings of 22m tonnes of CO_2 equivalents by 2020. The Federal Government's suggestions have in the meantime been withdrawn and replaced by a new, considerably milder proposal. We must emphasise again, however, that a project in Germany through which CO_2 emissions from German coal-fired power stations are supposed to be reduced cannot lessen the aggregate emissions in Europe. With this

in mind, we urge the Federal Government and the individual states to start thinking from a European perspective about the issue of greenhouse gas emissions at last, rather than nationally or at federal-state level. In 2014, incidentally, CO_2 emissions – according to initial calculations by Germany's federal environment ministry, decreased by 41m tonnes to 912m tonnes. Hard coal contributed to this development with a reduction of 8.2% and the general power and heating supply with a reduction of 6%. With all due respect to climate protection, measures to reduce CO_2 should have a sense of proportion. All in all, Germany's share of global energy-related CO_2 emissions is now only around one-fortieth, i.e. 800m tonnes out of some 35,500m tonnes. The 22m tonnes being demanded mean that we are now talking about a proportional global reduction of 0.06 per cent.

With regard to the other spheres of activity in the energy turnaround, too, it can be stated that not much has happened since last year. The necessary grid expansion, in particular, is making no progress, as a result of which the maintenance of power generation capacities in the form of coal-fired power plants is becoming increasingly important. In 2013, according to the *Handelsblatt* from 4/4/2015, the power grid was close to collapsing in a total of 7,160 hours (out of 8,760 possible hours). Three years previously, this was the case in just 1,588 hours. I shall therefore repeat our hypothesis that the Association has already expressed on a number of occasions: "Hard coal is and will remain indispensable for the energy turnaround – but a new design for the power market is urgently overdue".

The white paper "A Power Market for the Energy Turnaround" that was recently presented and contains proposals for the future structuring of the German power market is not well-suited for giving hard coal a plannable future as a pillar of the energy turnaround, especially with regard to CHP. It seems downright contradictory to praise CHP as flexible generation technology that complements the expansion of renewable energies well on the one hand, but ultimately to discard the target expansion of 25% up until 2020 on the other. In this way, the target is henceforth deemed to be a proportion of 25% in thermal power generation and not, as hitherto, a proportion of 25% in power generation as a whole. With that arrangement, we would almost have reached the target by now. The discrimination against CHP from coal-fired power stations is particularly worthy of criticism. It decrees that highly efficient gas-fired CHP plants providing public supplies whose existence is jeopardised should be subsidised for a limited period. Highly efficient coal-fired power stations providing public supplies, however, are not to be included in this arrangement, even if their existence is jeopardised. A first official draft bill for the CHP

legislation is also expected. In this area, too, the information available so far indicates that the existing coal-fired CHP plants will be at a disadvantage. In contrast to natural gas-based plants, coal-fired CHP plants can expect neither investment in existing plants nor subsidisation of modernisation work. This is a one-sided energy policy in several respects, as well as being injudicious from the perspective of efficient energy use. After all, coal-fired CHP stands for

- an important contribution to the secured capacity,
- high primary energy efficiency and therefore a reduction in CO_2
- consumption-oriented power and heating generation and consequently the avoidance of transportation losses.“

We are therefore appealing to the German government and everyone in positions of political responsibility to lay a solid foundation to secure reasonable compensation for the maintenance of hard coal-fired power plants which are available at any time, low-emission and efficient, as long as these plants make the key contribution to securing renewable energy generation and consequently to the success of the energy turnaround.

Thank you for your attention.