



Press release 02/ 2024

**Tuesday, 25 June 2024**

### **The VDKi is calling for an energy transition with understanding - instead of using a crowbar**

- Energy must remain affordable for citizens - the hydrogen-based energy transition is not in sight and will still cost more than €50,000/household according to a study by BDEW from April 2024
- Hard coal means energy security, is still available as a back-up and is affordable
- Hard coal is not more harmful to the climate than other fossil fuels used to generate electricity
- CCS/CCU also makes sense for hard coal-fired power plants
- Handling the future of energy security in a technologically open manner
- Hard coal is still needed - lesser for longer

The effects of the EUROPE elections can also be felt in the energy sector.

Institutes, associations and family entrepreneurs are complaining about the poor state of the German economy, which is primarily caused by high energy prices. Germany is one of the world leaders when it comes to the cost of electricity. Moreover, Germany has become a net importer of electricity - bad news for domestic security of supply.

Particularly considering the Federal Audit Office's special report on the energy transition, there should be no "business as usual". "The energy transition is not on track in terms of electricity supply," it says. "The Federal Court of Auditors does not consider the goal of providing the general public with electricity at a favourable price to be assured". The auditors criticise the fact that onshore wind energy in particular is not being expanded to the extent provided for by law. The Federal Ministry for Economic Affairs was also unable to meet its timetable for secure, controllable back-up capacity with the Power Plant Strategy 2026 (KWS). Furthermore, grid expansion is lagging considerably behind planning.

This is why the VDKi coal importers' association is calling for an energy transition that is based on reason and not on a crowbar.

The energy transition concept currently being pursued is hardly affordable. Studies expect investments in the order of 1.2 trillion euros. That is more than 50,000 € for a 4-person household.

For the VDKi, one thing is certain: energy must remain affordable for the public, otherwise acceptance of the energy transition will be lost.

Controllable energy is required for stable security of supply. This is why the newer fleet of hard coal-fired power plants in particular should continue to be used in back-up operation. According to the VDKi, the plants do NOT contradict the political goal of reducing CO<sub>2</sub> emissions. This is because these power plants hardly have any impact on the CO<sub>2</sub> -balance with shorter operating times. In addition, the German government is now allowing the use of CCS/CCU, transport and offshore storage in

Germany. For the VDKi, there is no climate policy reason why CCU and CCS should not also be permitted for hard coal-fired power plants.

The possible use of green ammonia in coal-fired power plants to reduce CO<sub>2</sub> should also be considered. VDKi Chairman Alexander Bethe: "We should endeavour to act in a way that is open to all technologies. This will reduce the costs of the energy transition."

The cost responsibility for operating CCU/CCS plants is in competition with the CO<sub>2</sub> -certificate market and is therefore the responsibility of each company. Therefore, only the companies, not the Federal Government, should decide on the suitability of CCU/CCS for hard coal-fired power plants.

The VDKi points out that the path to the hydrogen-based energy transition ahead of us will still be very long and extremely expensive. Furthermore, hydrogen is far too scarce and expensive to be burnt in power plants. Furthermore, hard coal is no more harmful to the climate than other fossil fuels used to generate electricity when the entire supply chain is considered. In view of the immense investment costs, the VDKi advises the principle that "less is often more" when planning the future energy infrastructure.

The state, as a forward-thinking energy entrepreneur, seems to be getting bogged down in "climate protection perfection" and driving up costs for everyone. "The German hard coal market is functioning," says VDKi Chairman Alexander Bethe. "Despite the sanctions imposed on Russian coal and the sudden cancellation of up to 70 % of Russian imports of coke and coal, a stable supply of hard coal in Germany was and is guaranteed at all times." This will also be the case in the future. The supply of hard coal is rock solid and stable. Alexander Bethe: "The continued operation of hard coal-fired power plants beyond 2030 is necessary for energy security in Germany. Without hard coal, there will be no security of supply in the foreseeable future.

Hard coal should not be demonised and will be needed for a secure and affordable energy supply for some time to come. CO<sub>2</sub> emissions would nevertheless fall. The current import volumes of around 33 mio. t of hard coal per year as a basic quantity (of which 18 mio. t of hard coal for power plants - with more than 8 bn. t produced worldwide) will continue to play a role in ensuring a secure energy supply for some time to come. "Lesser for longer" is the motto.

Berlin, 25 June 2024

V.i.S.d.P: Coal Importers' Association e. V., Jürgen Osterhage, Managing Director