

PRESS RELEASE

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Vattenfall restructures its German hydro power division for the future

Vattenfall has presented a comprehensive restructuring program to bring its German hydro power division back into profitability. According to the program, 2,500 MW of the currently operated 2,800 MW hydro power capacity are planned to stay in operation. The measures of the program are to be implemented by the end of 2019 and include a significant reduction in the number of jobs.

“Due to the price development on the German electricity market and the regulatory framework for existing storage facilities, Vattenfall’s pumped storage power plants have been under considerable economic pressure for years. The measures that are now being introduced are a major challenge for all stakeholders, but they have become the only realistic chance to keep most of our German pumped storage plants in long-term operation,” says Torbjörn Wahlborg, Head of Business Area Generation at Vattenfall.

The restructuring program, which is the result of a thorough analysis started in the autumn 2016, essentially includes the following:

- Optimization of plant operation
- So called ‘transitional operation mode’* of single plants
- Restructuring with focus on securing core competences in all areas
- Further reduction of the planned investment volume and all other cost items

According to the plans, the number of 420 full-time employees could be reduced by up to 60 per cent no later than by the end of 2019. Vattenfall will start talks with the German Workers’ Councils to which extent the individual plant locations will be affected and to discuss socially acceptable solutions for the employees.

The optimization of the operation in some pumped storage plants, in combination with other measures, aim at keeping approximately 2,500 MW of the currently operated 2,800 MW capacity in operation. The power plant of Niederwartha (Saxony) is already in the ‘transitional operation mode’. The plant in Geesthacht (Schleswig-Holstein) will soon be transferred into a ‘transitional operation mode’. * This means that the plant is kept in an operable state, but is not always ready for operation.

Background

German pumped storage plants

PSW Goldisthal (Thuringia)	1.060 MW
PSW Markersbach (Saxony)	1.050 MW
PS Hohenwarte II (Thuringia)	320 MW
PS Hohenwarte I (Thuringia)	63 MW
PSW Niederwartha (Saxony)	40 MW
PSW Geesthacht (Schleswig-Holstein)	120 MW
PSW Bleiloch (Thuringia)	80 MW
PSW Wendefurth (Saxony-Anhalt)	80 MW

Since 2011, Vattenfall has invested around 60 MEUR in the modernization and upgrading of its German pumped storage plants to make them an effective part of the German energy transition. Pumped storage plants are currently the only large-scale generation facilities with storage capacity for excess electricity from renewable energy sources. They thereby serve as a guarantee for the electricity network stability and are also one of few generation systems that are capable of a 'black start'. This means that they can generate electricity without external help in the event of extensive power failures, thus rebuilding a regulated power supply in the country.

For further information, please contact:

Vattenfall's Press Office, telephone: +46 8 739 50 10; email: press@vattenfall.com