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Offshore wind energy from EnBW for the Salzgitter Group

Third long-term power purchase agreement for EnBW offshore wind farm He Dreiht / 50 megawatts of green electricity for the steel production of the future / Reducing carbon emissions is the common target



Karlsruhe/Salgitter. The Salzgitter Group works closely with customers and partners to achieve its climate targets – in keeping with the strategic mission “Partnering for Transformation.” The energy supplier EnBW and Salzgitter Flachstahl GmbH signed a long-term electricity supply contract. The electricity is set to come from the offshore wind farm “He Dreiht” in the North Sea.

With this power purchase agreement (PPA), Salzgitter Flachstahl GmbH secured the supply of 50 megawatts (MW) of green electricity for 15 years from the new 900 MW wind farm located around 90 kilometers north of the island of Borkum, which is scheduled to be commissioned at the end of 2025. This will further safeguard the transformation project known as SALCOS® – Salzgitter Low CO₂ Steelmaking. Producing green hydrogen using sustainably generated energy is a core element in the production of virtually carbon-free steel.

“This cooperation with EnBW is a further building block in our energy strategy to secure the demand for regeneratively generated electricity for Salzgitter AG and in particular for the SALCOS® transformation program. Here, too, we are working with strong partners - true to our mission of ‘Partnering for Transformation’,” says Gunnar Groebler, CEO of Salzgitter AG. “Like us, our supplier and customer industries are facing the important tasks of establishing sustainable production and process chains. With the conclusion of this PPA, we are taking the path to climate-neutral production one step further.”

“Salzgitter represents the third strong partner we have secured for our offshore wind farm ‘He Dreiht’, which is released without subsidies,” says EnBW board member Georg Stamatelopoulos. “PPAs are a key element of the energy transition and can make a significant contribution to the fast expansion of renewable energies. Long-term PPAs secure the necessary investment while also enabling energy-intensive companies to achieve ambitious climate targets,” he explains. Almost one year ago, EnBW signed the first PPA for “He Dreiht” with Fraport, followed more recently by another one with

Evonik. In the meantime, the supplier selection process for the main components of the project has largely been completed. EnBW will make the final investment decision concerning the construction of the offshore wind farm next year.

With many of its business units, the Salzgitter Group is already a partner for the generation of renewable energies. As a full-line supplier, for example, Ilsenburger Grobblech GmbH (ILG), has been supplying heavy plate for the wind energy industry's onshore market since 1996 and increasingly for the offshore market since 2010. Other products manufactured by the group for wind turbines include HFI longitudinally welded steel pipes, precision steel pipes for nacelles and large-diameter pipes for the substructures of offshore wind farms.

About Salzgitter

Salzgitter AG ranks as one of Germany's leading steel and technology groups.

As a pioneer in the circular economy, we focus on sustainable innovation and on transforming products and processes in the business units of Steel Production, Steel Processing, Trading and Technology.

With our "Salzgitter AG 2030" strategy and anchored in the principle of "Pioneering for Circular Solutions", we are setting new benchmarks in the industry. Our aspirations are realized through strong initiatives and programs such as SALCOS® – Salzgitter Low CO2 Steelmaking. Through partnerships and in networks, we are actively driving the process of development towards a circular economy.

With around 25,000 employees worldwide at 150 national and international subsidiaries and associate companies, we live up to our global aims for growth, profitability and our pioneering position. In the financial year 2021, we generated external sales of around €10 billion, with a crude steel capacity of 7 million t.

About EnBW

With over 26,000 employees, EnBW is one of the largest energy companies in Germany and Europe. It supplies around 5.5 million customers with electricity, gas, water as well as services and products in the areas of infrastructure and energy. The expansion of renewable energies is a cornerstone of the growth strategy and a focus of investment. EnBW will invest around four billion euros in the further expansion of wind and solar energy between 2021 and 2025. By the end of 2025, more than half of the generation portfolio is set to consist of renewable energies. Furthermore, the expansion of renewable energies is an important part of EnBW's Sustainability Agenda as the company heads towards climate neutrality by 2035.

EnBW has been actively involved in PPA matters in Germany from the very beginning: In 2019, the company signed the first PPA of its kind in Germany with Energiekontor. In December 2021, it announced the first supply contract with Fraport AG for 85 megawatts of electricity from the "He Dreiht" offshore wind farm. More recently, it signed another deal with the chemicals company Evonik for the supply of 100 megawatts.

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