

## Press release

### Good news for the electricity market: Capacity Market in Great Britain is compatible with EU State aid rules

- **RWE welcomes the conclusions of the European Commission**

Essen, 24. October 2019

**Roger Miesen, Chief Executive Officer RWE Generation:**

“The Capacity Market has proven that it can successfully deliver security of supply at the lowest cost to consumers. The Commission’s conclusion provides the necessary certainty to plant operators and is great news, because the Capacity Market is crucial for security of supply.”

RWE welcomes the decision of the European Commission, who have concluded an in-depth investigation into the GB Capacity Market and found that it is compatible with the EU State aid rules and guidelines. The company is looking forward to the full reinstatement of payments under the Capacity Market as soon as possible, including deferred payments for Delivery Year 2018/2019 which hitherto have been suspended.

In November 2018 the General Court of the Court of Justice of the European Union ruled in favour of Tempus Energy, against the European Commission, annulling the Commission’s State aid approval for the Capacity Market. Following this there has been a ‘standstill period’ on the Capacity Market which prevented the Government from making any capacity payments under existing agreements. During this period, holders of capacity agreements continued to meet their obligations.

Today, the Commission concluded that it did not find any evidence that the scheme would put demand response operators or any other capacity providers at a disadvantage with respect to their participation in the scheme. It also notes that the UK has committed to implementing certain improvements to the scheme for the future.

Roger Miesen, Chief Executive Officer of RWE Generation, states: “We are very pleased that the EU has concluded the investigation into the Capacity Market and as a result the mechanism will be fully reinstated and deferred payments backdated. The conventional power market in



Europe remains extremely challenging with large scale plants operating for shorter periods of time to support the transition to a low carbon energy system.”

RWE is committed to supporting power sector decarbonisation, with an ambition to be carbon neutral by 2040.

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**RWE Generation SE**

*With its highly efficient power plants in Germany, the UK and the Netherlands, approximately 3,100 employees at RWE Generation use gas, hard coal, hydro power and biomass to generate electricity. The company's gas fleet is the fourth largest in Europe. Which is an excellent starting point, as gas is becoming increasingly important as a bridge to the age of renewables. The company banks on biomass, particularly in the Netherlands – and is converting two coalfired power stations so that they can use this CO<sub>2</sub>-neutral energy source. RWE also has hydro power plants in many core markets.*

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