

STEAG sells shares in foreign power plant

Further step toward decarbonization of the Group // Co-owner Aboitiz acquires majority stake in Mindanao power plant

Essen/Mindanao. STEAG sells a large part of the shares in its power plant on the Philippine island of Mindanao. The buyer is co-shareholder Aboitiz Power Corp (APC). STEAG had already announced last year that it wanted to sell its stake and initiated a sales process. As part of this process, Aboitiz has now exercised its right of first refusal.

The corresponding contracts were ceremonially signed yesterday, October 19, by the management of both contracting parties in Essen, Germany, after the formal signing had already taken place on September 15, 2022. The final closing of the transaction, which has a value of around 36 million US dollars, is still formally subject to the approval of several indirectly involved contractual partners and Philippine authorities.

Further step toward decarbonization

"With the sale, STEAG is taking another important step on the way to complete decarbonization of the Group," says Dr. Ralf Schiele, who is responsible for the Market and Technology divisions on the STEAG Management Board. The goal that STEAG has set itself is to become climate-neutral by 2037. The date has not been chosen arbitrarily: in 2037 STEAG will celebrate its one hundredth birthday.

For the time being, however, STEAG will remain a minority shareholder in STEAG State Power Inc. (SPI), the operating company of the Mindanao power plant. "Since the second co-shareholder, La Filipina Uy Gongco Corporation, has not exercised its proportional right of first refusal, we continue to hold around 15 percent of the operating company, but are still keen to sell this minority share as well," says Ralf Schiele.

However, STEAG will only remain invested in Mindanao until 2031 at the longest, as a build-operate-transfer model provided for the transfer of ownership of the power plant to the state-owned utility and grid operator Power Sector Assets and Liabilities Management Corporation (PSALM) from the very beginning.

About STEAG

For 85 years, STEAG has stood for efficient and reliable power generation, both in Germany and abroad. As an experienced partner, we support our customers comprehensively in all phases of power supply. We design, develop, implement, operate and market highly efficient energy solutions – from distributed generation facilities and those based on renewable sources to large central power plants. Together with customized solutions in the field of electricity and heat supply, we also provide a wide range of energy services – increasingly on the basis of renewables. Successfully so: From 1990 until the end of 2021, STEAG has permanently reduced its own CO₂ emissions in Germany by more than 80 percent.

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