

NR. 134/2024

Green energy for Gigafactory Salzgitter

- PowerCo SE concludes long-term purchase agreements with green energy producers Alterric and EnviTec Biogas AG to supply the cell factory in Salzgitter
- Around 3 terawatt hours from wind power and solar energy over a contract term of ten years
- PowerCo Chief Procurement Officer Jörg Teichmann: "PowerCo wants to set high standards in terms of sustainability."

Salzgitter, Germany, 10th December 2024 – PowerCo SE relies on climate-friendly electricity for the operation of its cell factories. For the Salzgitter gigafactory, it has now concluded the first long-term purchase agreements with the green energy producers Alterric and EnviTec Biogas AG. From 2025, they will supply around 240 gigawatt hours per year from wind power (Alterric) and around 65 gigawatt hours from solar energy (EnviTec Biogas AG). Over the entire term of ten years, this will result in a total of 3 terawatt hours of green electricity, which will be used to operate the Salzgitter gigafactory.



Renewable energies from wind and solar power.
(Copyright: Alterric)

Jörg Teichmann, Chief Procurement Officer of PowerCo SE, said: "We want to build a robust, European battery supply chain that also sets high standards in terms of sustainability. With the purchase agreements that have now been agreed, we are ensuring that our cell factory in Salzgitter is operated with green electricity. At the same time, we are making a contribution to the further expansion of renewable energies in Europe."

PowerCo wants to set new standards in the sustainability of batteries in the volume segment. As cell production is very energy-intensive, the use of CO₂-free electricity offers strong leverage. In Salzgitter alone, the agreed contracts can save around 115,000 tons of CO₂ equivalents per year compared to the German electricity mix in 2023. PowerCo relies on so-called Power Purchase Agreements (PPAs), which guarantee the partners Alterric and EnviTec Biogas AG stable long-term income and thus facilitate the financing of new wind and solar parks.

Alterric

Alterric will supply PowerCo SE with a total of around 2.4 terawatt hours or 240 gigawatt hours of green electricity per year over the ten-year term of the contract. The electricity will come from four

wind power projects in Lower Saxony, all of which are in independent commercial operation and therefore not eligible for state EEG subsidies. Delivery is scheduled to begin in 2025.

“The off-take agreement between PowerCo and Alterric demonstrates how important the PPA model is for the industry to meet its high quality standards in electricity supply. The direct agreement between buyer and producer guarantees this quality. It is therefore imperative that the options currently being discussed to change the design of the electricity market in Germany will also enable such market-based solutions in the future,” explains Alterric Managing Director Dr. Frank May.

Alterric develops, plans, markets and manages wind and hybrid parks and is one of the largest onshore green energy producers in Central Europe. Headquartered in Aurich, Lower Saxony, the company currently operates over 2,400 megawatts of installed capacity in its own portfolio.

EnviTec Biogas AG

EnviTec Biogas AG will supply PowerCo SE with a total of around 650 gigawatt hours or 65 gigawatt hours of green electricity per year over the ten-year term of the contract. The electricity will come from a new solar park in Buckow / Brandenburg, which has been financed 100 percent by the von Lehmden Group and implemented in cooperation with EnviTec Biogas. The start of delivery has been agreed for 2025.

EnviTec Biogas AG, which operates from Lohne and Saerbeck, is currently Germany's largest biogas producer, but is now also involved in the expansion of solar power, among other things. “The energy transition is a Herculean task that we as a society can only master together and by using all available technologies and renewable energies. In addition to the production of biogas and biomethane, we are therefore focusing on other renewables and investing widely in the production of green energy,” says Olaf von Lehmden, CEO of EnviTec Biogas AG.

PowerCo SE

PowerCo SE is a global battery cell manufacturer that was founded by the Volkswagen Group in 2022. Headquartered in Salzgitter, the company is responsible for the development and production of battery cells as well as the vertical integration of the value chain. PowerCo is currently building three cell factories with a total volume of up to 200 gigawatt hours per year: Salzgitter in Germany, Valencia in Spain and St. Thomas in Canada.

Andreas Groß

PowerCo SE

Head of Communications

+49 (0) 1522 9-122413

andreas.gross@powerco.de | www.powerco.de | www.volkswagen-group.com**Dominik Berger**

PowerCo SE

Media Relations & Content

+49 (0) 152 09130844

dominik.berger@powerco.de | www.powerco.de | www.volkswagen-group.com

About the Volkswagen Group:

The Volkswagen Group is one of the world's leading car makers, headquartered in Wolfsburg, Germany. It operates globally, with 114 production facilities in 17 European countries and 10 countries in the Americas, Asia and Africa. With around 684,000 employees worldwide. The Group's vehicles are sold in over 150 countries.

With an unrivalled portfolio of strong global brands, leading technologies at scale, innovative ideas to tap into future profit pools and an entrepreneurial leadership team, the Volkswagen Group is committed to shaping the future of mobility through investments in electric and autonomous driving vehicles, digitalization and sustainability.

In 2023, the total number of vehicles delivered to customers by the Group globally was 9.2 million (2022: 8.3 million). Group sales revenue in 2023 totaled EUR 322.3 billion (2022: EUR 279.1 billion). The operating result before special items in 2023 amounted to EUR 22.6 billion (2022: EUR 22.5 billion).
