Polimex Mostostal signed a contract for the construction of a gas and steam power unit in Rybnik

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A consortium of Polimex Mostostal and Siemens Energy signed a contract with PGE Polska Grupa Energetyczna for the construction of a gas and steam power unit with a capacity of 882 MW in Rybnik. In addition to the contract for the general project implementation, concerning the construction of a unit worth approx. PLN 3 billion net, a long-term maintenance contract worth over PLN 0.76 billion net was also concluded. The new gas unit in Rybnik will replace four decommissioned coal units with a total capacity of 900 MW at the existing Rybnik Power Plant. The commissioning of the unit is planned in December 2026.

The agreement signed today in Rybnik launches one of the largest and most modern energy projects in Silesia. The gas and steam unit, to be built in less than four years from now in Rybnik, will contribute to reducing the emission rates of the national economy and thus improving the air quality in the region. This will also bring tangible savings on the purchase of CO2 emission allowances in the PGE Group - says Wojciech Dąbrowski, President of the Management Board of PGE Polska Grupa Energetyczna. At the same time, the new project will improve Poland's energy security, as will it ensure stable energy supplies for approx. 2 million households and new workplaces both during the construction and subsequent operation. This is a specific development impulse for the region, which is particularly important for us in the current economic situation and in the face of energy transformation - adds Wojciech Dąbrowski.

We are very pleased that we are inaugurating today such an expected and so much needed project for Silesia. The construction of the unit in Rybnik is a key contract for Polimex, but also another great step in upgrading the Polish power industry. Here, I would like to thank the Management Board of the PGE Group for

they trust and entrusting us with such an important project to complete. I am sure that our experienced design team, in cooperation with a consortium and technology partner Siemens Energy, will successfully build another energy unit for the PGE Group - says Krzysztof Figat, President of the Management Board of Polimex Mostostal.

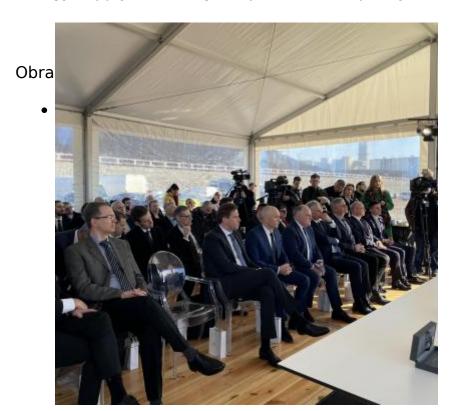
As Grzegorz Należyty, President of the Management Board of Siemens Energy in Poland and Vice President of the Eastern Europe region at Siemens Energy emphasises: Due to the huge challenges in the transformation of the energy sector, projects based on the latest technologies are required. They play a key role in ensuring energy security. The Rybnik gas and steam unit is a perfect example of such a project. Siemens Energy will provide an advanced 9000HL turbine, one of the largest gas turbines available and will support the transition to a more stable energy system.

The gas and steam unit in Rybnik will be the largest and most efficient power unit of its type in Poland and one of the largest in Europe. The project will meet the most stringent emission limits resulting from the BAT conclusions for gas and steam units. The emission of dust and sulphur oxides will be reduced to almost zero, which will significantly contribute to the improvement of air quality in Rybnik region. The emission rate of the new unit is three times less than for 200 MW coal units and is 320 g of CO2 per kWh of generated electricity.

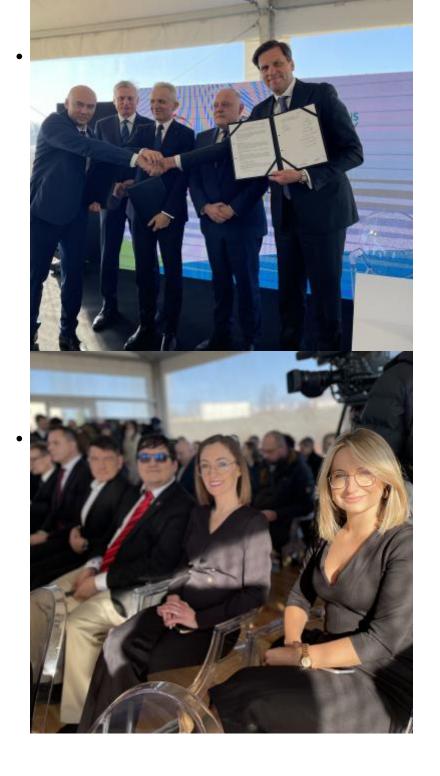
The new gas and steam unit will be able to co-burn hydrogen in gaseous fuel. The unit will have an open-circuit cooling system, i.e. with water from the Rybnik Reservoir, which will have a positive impact on the existing ecosystem. The process solutions employed will ensure compliance with the assumptions of the circular economy.

In December 2022, the gas and steam power unit in Rybnik was granted a 17-year contract in the major power market auction, which will come into force from 2027 to ensure a return on investment. The implementation of the project will be partially financed from funds obtained from the new issue of PGE shares from 2022.

The construction of a gas and steam unit will allow the reconstruction of the manufacturing potential of Rybnik Power Plant. The dynamic growth of renewable energy sources in Poland, in which the PGE Group plays the largest share, requires maintaining high flexibility in the operation of individual power units. The new gas and steam unit in Rybnik will be a stable and flexible source of energy supply balancing the production capacity of renewable energy sources.









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