



## Assessment of RWE's transition plan

### About RWE

Headquartered in Germany and founded in 1898, RWE's core business historically includes coal, lignite and nuclear. More recently, it has pivoted its strategy towards wind, solar, battery storage, electrolysis facilities, as well as fossil gas plants. Via RWE Supply and Trading, the company is also a substantial energy trader. RWE operates in almost 30 countries worldwide. It announced revenues of €24.2 billion for the year 2024.

### RWE's transition plan in a nutshell

Our assessment of RWE's climate plan reveals a strong willingness to develop sustainable<sup>1</sup> energies (onshore and offshore wind, and solar) by 2030, as well as storage. However, efforts to support the energy transition are at risk of being undermined if the company continues to aggressively pursue new upstream oil and gas expansion,<sup>2</sup> LNG supply contracts and the development of new fossil gas capacity in Germany. Recent statements by RWE's CEO Markus Krebber that the 2030 coal phase-out will only work if RWE wins the tender for gas-fired power plants in 2025,<sup>3</sup> and that it would be appropriate to lower Germany's current offshore wind targets,<sup>4</sup> suggest that the company's "Our energy for a sustainable life" ethos may be a pretense more than a values-driven commitment.

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<sup>1</sup> Sustainable power technologies are defined as: wind, solar, storage, power grids, geothermal, hydropower (retrofit and upgraded), and ocean power.

Reclaim Finance, [The limits of \(not so\) clean energy](#), October 2023

<sup>2</sup> According to urgewald's Global Oil and Gas Exit List (GOGEL) 2024, RWE is listed with oil and gas production of 3,8 mmbbl for 2023. RWE's upstream activities on GOGEL relate to the company's minority stake of 10% in Pearl Petroleum. As of September 2024, RWE's short-term expansion plans amounted to 100,4 mmbbl. These figures refer to Pearl Petroleum's planned expansion of two oil and gas fields in the Kurdistan region of Iraq (<https://www.pearlpetroleum.com/>).

<sup>3</sup> "RWE is working on the 2030 coal phase-out, which we agreed with the federal and state governments. But that will only work if we win the tender for gas-fired power plants in 2025", RWE CEO Markus Krebber told the Rheinische Post newspaper. Zeit Online, [RWE macht Kohleausstieg von Genehmigung für Gaskraftwerke abhängig](#), December 2024

<sup>4</sup> Recharge, [RWE boss urges Germany cut offshore wind targets on wind wakes and 'duck beaks' concerns](#), March 2025

## Quality of RWE's transition plan

### 1. Emission reduction plan

While developing 2.5GW of new fossil gas power capacity,<sup>5</sup> RWE has set near-term and long-term emissions reduction targets for Scope 1, 2, and 3 emissions. Its strategy was validated by the Science-Based Target initiative (SBTi) in January 2025 as being in line with a 1.5°C pathway, delivering net-zero emissions by 2040.

Against 2022 baselines, the company aims to decrease scope 1 and 2 emissions by 71% per MWh by 2030, reaching -98% per MWh by 2040, and to decrease scope 3 absolute emissions by 42% by 2030, reaching -90% absolute by 2040. Residual emissions are said to be neutralized through carbon credits to achieve net-zero greenhouse gas (GHG) emissions across the value chain by 2040.

However, RWE lacks intensity reduction targets covering scope 1, 2, and 3 emissions across the whole group worldwide, which is an essential component of an ambitious emissions reduction plan. It also has no explicit standalone reduction target for methane emissions. Last, RWE also lacks an explicit fossil gas phase-out objective for 2035 for the power sector in Europe and OECD countries. Their appetite for the continuation of fossil gas activities - unlikely to be salvaged by CCS or H2 conversion - raises significant doubts on their ability to reach their decarbonization targets.

### 2. Energy planning

#### Mixed messages on its fossil fuel phase-out strategy

While RWE still runs most of Germany's remaining coal-fired power plants, the power utility has committed to a socially acceptable coal phase-out in Germany at best by 2030, at the latest by 2033.

To meet this deadline, RWE advocates that the German government makes large investments in new fossil gas-fired power plants. Coal-to-gas switching isn't a credible climate solution and cannot be considered a meaningful transition strategy.<sup>6</sup>

Furthermore, RWE is anchoring its fossil gas strategy in hydrogen (H2), with new gas-fired power plants that "will be designed with a view to being capable of running on hydrogen". But RWE's projected development of H2 for use in the power sector fails to take into account several key considerations: the availability (or lack thereof) of green hydrogen, the fact that priority should be given to sectors that don't have other decarbonization solutions (e.g. steel), or the certain impact it would have on energy prices.

In the case that governments do not provide the necessary economic incentives for future fossil gas power stations to be decarbonized, RWE says it would then rely on carbon capture and

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<sup>5</sup> Urgewald, [Global Oil & Gas Exit List 2024: Milliarden schwere Bürde für die Klimaverhandlungen](#), November 2024

<sup>6</sup> Reclaim Finance, [Why banks should refrain from financing new gas power plants](#), March 2025

storage (CCS), even though the track record of this technology being costly *and* ineffective is well-established.

### **Renewable deployment at speed and scale**

With its “Growing Green” investment and growth strategy launched in 2021, RWE made way for expanding its generation portfolio into sustainable power solutions. As of 2024, the company plans to grow:

- Offshore wind power capacity from 3.3 gigawatts (GW) to around 6 GW by the end of 2027, and to 10 GW by the end of 2030.
- Onshore wind and solar installed generation capacity from 14.7 GW to 30 GW by 2030.
- Battery storage installed capacity of 1.1 GW to 12 GW by 2027, and to 16 GW by 2030.

### **3. Capex allocation**

RWE’s overall gross CAPEX for 2024 was just over €12 billion, with 91.2% spent on wind (€7.75 billion), solar (€2.45 billion), and storage (€0.74 billion). The company has also announced its plans to additionally invest in these technologies over the next three years, allocating up to €4.3 billion to wind, up to €236 million to solar, up to €672 million to hydrogen, and €4 million to electricity storage.

Regrettably, 2% of RWE’s CAPEX (€180 million) was dedicated to fossil gas in 2024 – a figure that may well increase should the company choose to make investments in fossil gas plants in Germany. This is at odds with the Net Zero Emissions by 2050 (NZE) scenario from the International Energy Agency (IEA) that requires almost no investment in fossil fuels by 2030.<sup>7</sup>

### **4. Climate planning: strategy and governance**

Our assessment shows that RWE implements governance measures aimed at achieving global climate neutrality by 2050. These measures include assigning the board of directors the responsibility of approving and producing regular reports on a climate action plan in line with the Corporate Sustainability Reporting Directive (CSRD) and establishing the average carbon intensity of the RWE Group’s power plant portfolio as a KPI for the executive board’s remuneration.

### **5. Transparency**

RWE has demonstrated quite high levels of transparency in the answers they provided to the questionnaire sent to utilities to assess their transition plan, with the exception of its answers relating to the LNG side of the business, which were grossly inaccurate.

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<sup>7</sup> International Energy Agency (IEA), [Net Zero by 2050 Scenario](#), May 2021