

SIEMENS

Peter Löscher, President and CEO

Three points for a cost-efficient energy transition

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The energy transition is at a critical point



Levies for renewable energies reach an all-time high



Rising electricity prices burden consumers and industry



Too many coal-fired power plants in the energy mix have negative impact on CO₂ emissions

Germany in second year of energy transition – course corrections necessary

Most energy transition targets probably won't be reached



Target of 50 percent renewables in gross electricity consumption will be reached by 2030

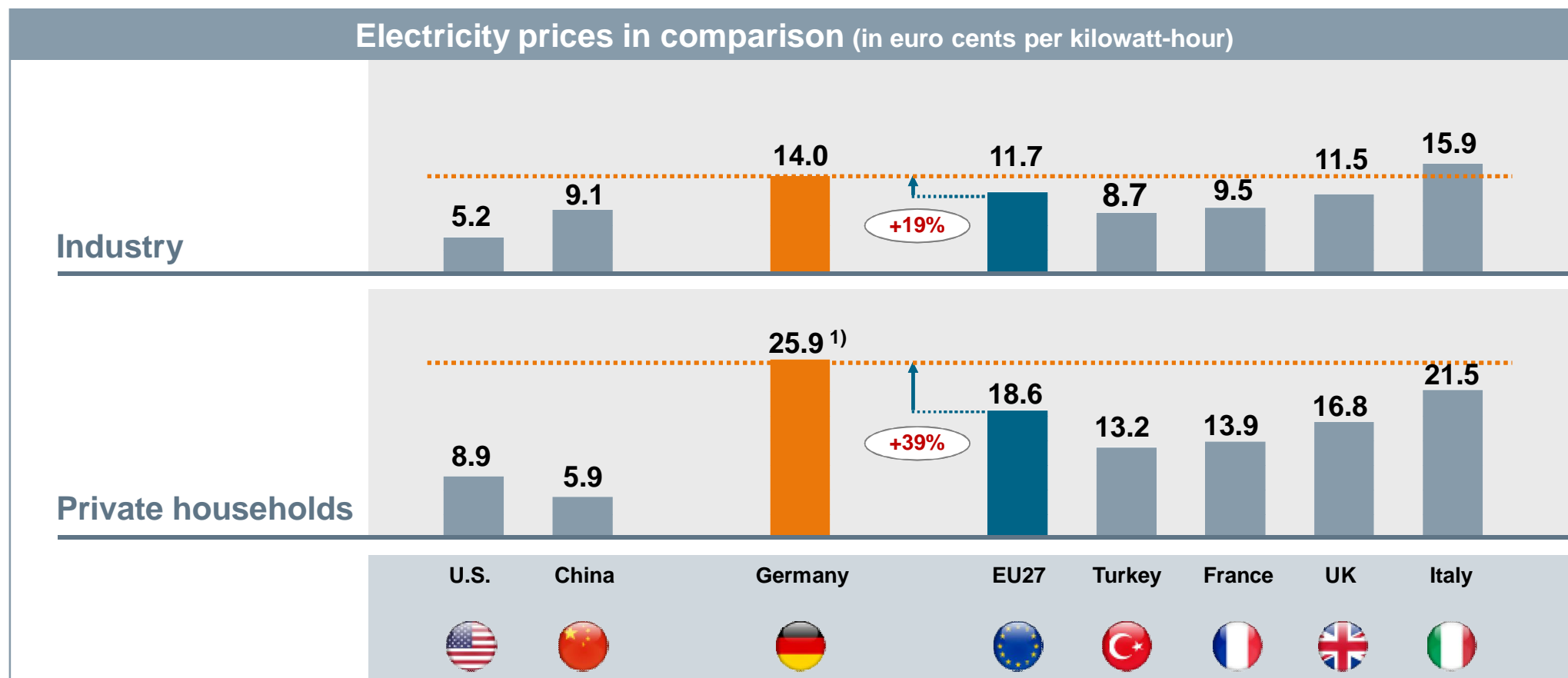


**Greenhouse gas emissions should be reduced 55 percent by 2030 –
In 2012, CO₂ emissions rose by 2 percent**



**Electricity consumption should decline 10 percent by 2020,
but remaining constant**

High electricity prices burden industry and private households

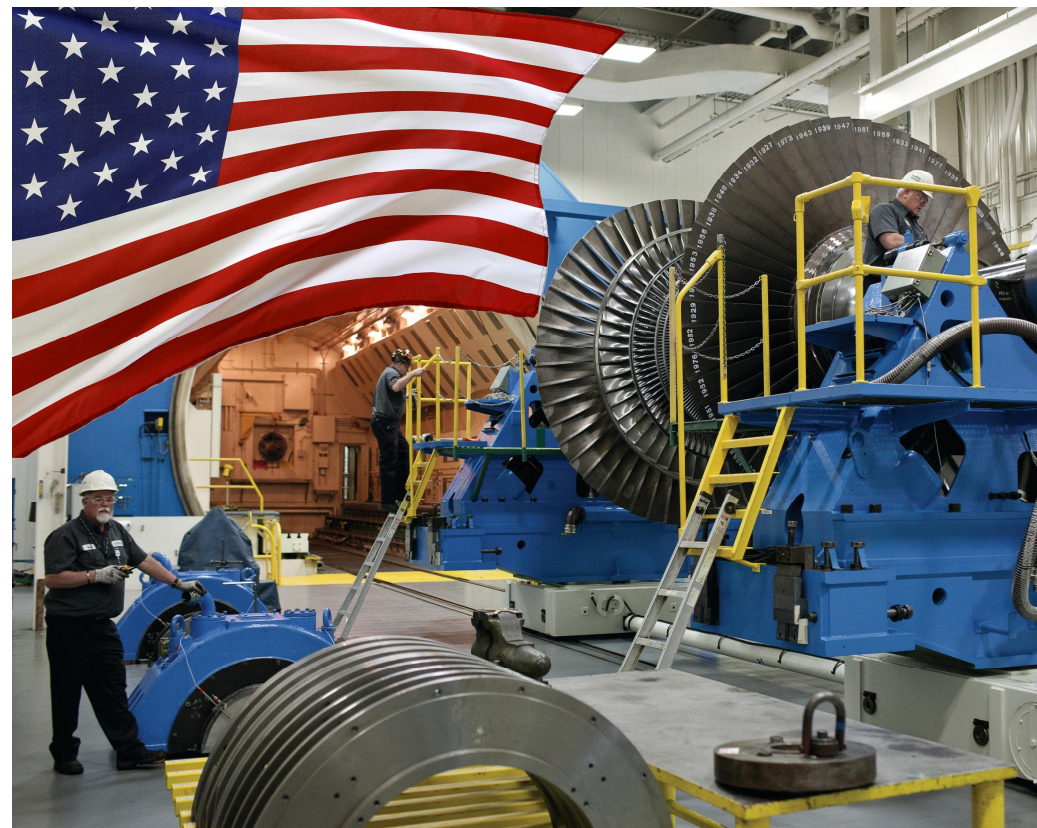


1) Preliminary forecast for 2013: 28.5 cents

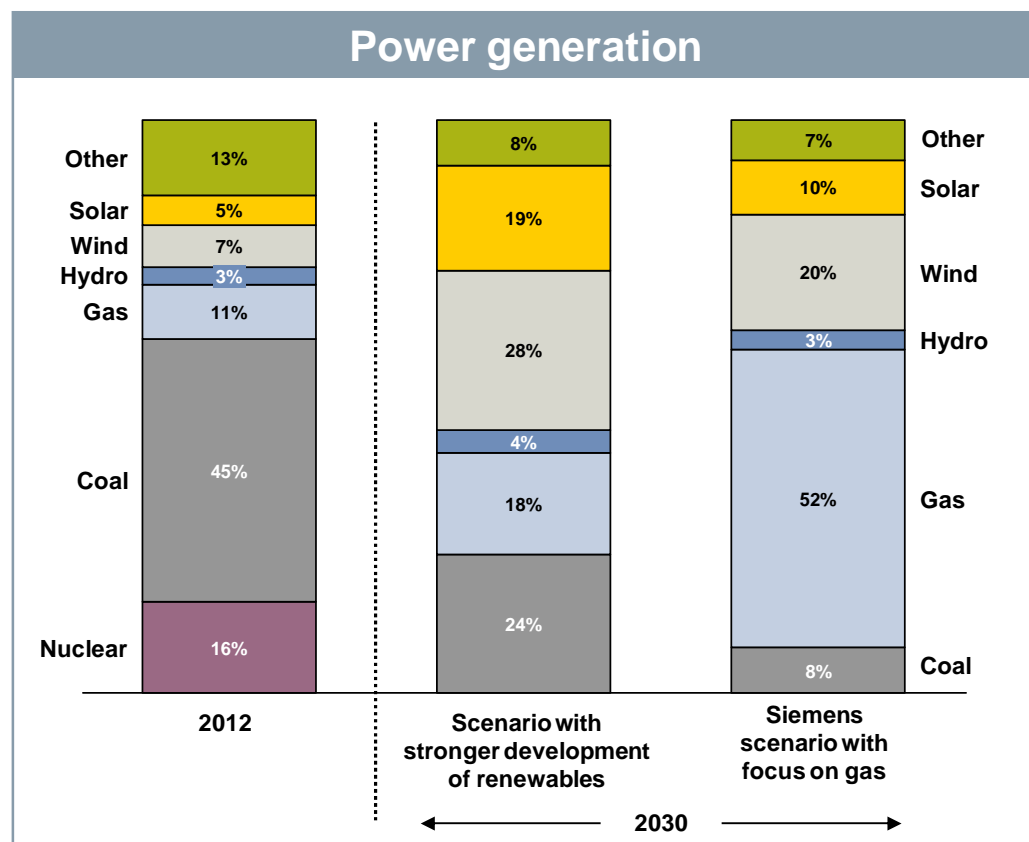
Source: Eurostat; IEA

Create competitive advantages with the energy transition – Example U.S.

- Shift from coal to gas-fired power plants reduces CO₂ emissions
- Cheap energy prices create competitive advantage
- Energy-intensive companies investing again in the U.S.
- Around 100 industry projects worth US\$100 billion are planned
- Up to 5 million new jobs could be created by 2020



Energy transition could be up to €150 billion cheaper



- Energy transition will be a success only if it is economical
- Optimized energy mix secures CO₂ targets at substantially lower costs
- Give up fixed target for renewable energies
- Bank on higher share of low-emission combined cycle power plants and wind energy
- €150 billion could be saved by 2030 – with the same CO₂ targets

Source: AG Energy balances (values for 2012), Siemens AG

Three-Point Plan for a cost-efficient energy transition

1. Restructure the energy market

- ▶ Feed-in responsibility rather than feed-in priority
- ▶ Support renewable energies on competitive terms
- ▶ Europe-wide regulations for reducing CO₂ emissions
- ▶ Fixed-cost consumer levy based on their grid connection
- ▶ Maintain an annually determined winter reserve to avoid blackouts

2. Increase energy efficiency

3. European coordination of the energy transition

Siemens Business and Financial Press

Günter Gaugler	+49 89 636-34782
Alexander Becker	+49 89 636-36558
Philipp Encz	+49 89 636-32934
Michael Friedrich	+49 30 386-24187
Ivonne Junghänel	+49 89 636-33929
Julia Schifferings	+49 89 636-34888
Wolfram Trost	+49 89 636-34794

Internet:	www.siemens.com/press
E-mail:	press@siemens.com
Phone:	+49 89 636-33443
Fax:	+49 89 636-35260