

# Market Opportunity – Germany's Gas Power Plant Strategy

## Strategic Rationale

**Renewables Gap**  
 With wind and solar expanding rapidly, Germany faces periods of low generation ("dunkelflauten"). Dispatchable capacity is needed to secure supply.

**Coal Phase-out**  
 The accelerated coal exit in Germany (latest by 2038, likely earlier) requires immediate replacement capacity.

**Hydrogen Transition**  
 New plants must be hydrogen-ready, providing both near-term flexibility and long-term alignment with decarbonization targets.

Germany's gas-to-hydrogen strategy is not only a security-of-supply measure – it is a scalable, government-backed investment opportunity. Firms that act early can secure long-term revenue streams while positioning themselves at the core of Europe's hydrogen economy.

## Market Size, Demand & Government Tenders

### Capacity Requirement

Between **16 - 40 GW** of flexible backup generation is estimated by 2030.

### Government Tenders

The German government plans to tender the construction of new gas-fired power plants to ensure reliable electricity production and is currently negotiating approval with the EU.

According to the coalition agreement, the government intends to **incentivise the development of 20 gigawatts (GW)** of new gas capacity by 2030. As subsidies are involved, EU approval is required. Such approval now appears within reach.

### Timeline

**First tenders** expected in **2025**, conversion to full hydrogen operation required between **2035 - 2040**.

2025



## Investment & Participation Opportunities

### Direct Project Development

- Bid in tenders to design, build and operate new hydrogen-ready power plants.
- Access to subsidies and guaranteed revenues via capacity mechanisms (planned by 2028).

### Technology & Infrastructure

- Supply advanced turbines, hydrogen-ready components, storage systems, and digital grid solutions.
- Provide hydrogen production (electrolysers), pipelines, and storage—critical for plant conversion.

### Financial Investors

- Co-invest alongside utilities and developers; state support (e.g. Climate & Transformation Fund) reduces downside risk.
- Green transition projects benefit from ESG-aligned capital and growing institutional appetite.

## Why This Matters for Your Firm

- **Secured Revenue Streams:** Capacity payments and government-backed tenders provide predictable returns.
- **Growth Market:** Hydrogen-ready power plants are a cornerstone of Europe’s energy transition; Germany is setting a precedent.
- **Diversification:** Participation opens cross-sector opportunities in hydrogen infrastructure, grid integration, and storage.
- **Policy Tailwind:** Political commitment ensures both regulatory stability and public funding.

## Next Steps

Monitor tender announcements in 2025/2026.

Engage early with policymakers, utilities, and hydrogen network operators to secure positioning.

## How We Can Help

Legal advice will be essential in a highly competitive tendering and approval process. Local partnerships (land, grid connection, municipal cooperation) create first-mover advantages.

### Market Entry & Structuring

We advise on optimal entry routes into the German market, including joint ventures, project company structures, and acquisition of suitable development pipelines or sites.

### Regulatory & Tender Support

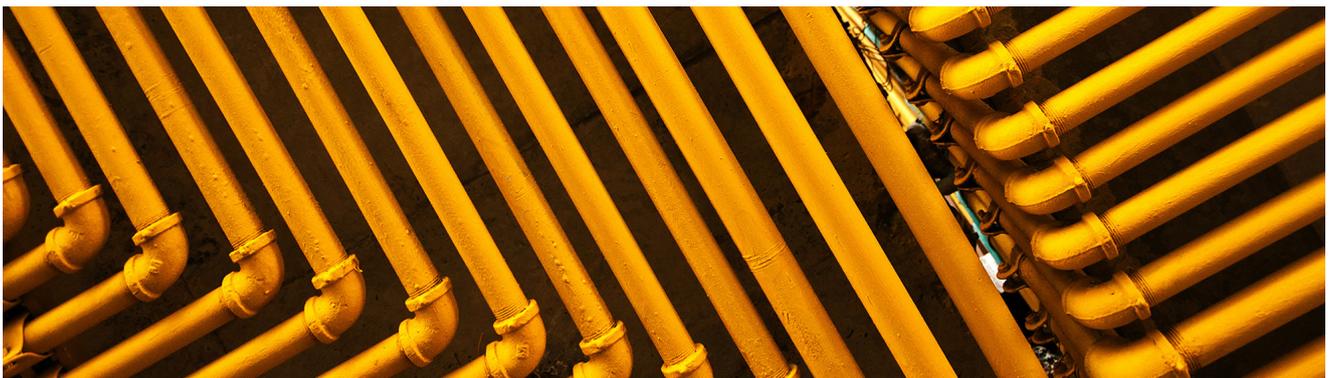
We guide through tender processes, EU/state-aid compliance, energy regulation, and permitting – ensuring bids meet all legal and technical requirements.

### End-to-End Legal Services

We provide integrated support across project financing, M&A, construction, grid connection, environmental, employment, and contractual matters to establish and scale operations sustainably.

### LET’S TALK.

We help you enter, bid & build – legally sound, future-ready.



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