Media Information

**KGAL ESPF 6 participates in the development of one of Europe’s most important hydrogen hubs**

**Grünwald, 24.09.2024 – The KGAL ESPF 6 Energy Transition Fund is investing in a green hydrogen project at Lubmin, a Baltic Sea port in Mecklenburg-Western Pomerania, with a total capacity of up to 1,050 megawatts. This project is part of Germany’s largest planned centre for the production and import of green hydrogen, with Europe-wide significance. KGAL’s investment has excellent prospects, as the location offers immense strategic advantages and the project is being driven forward by experienced specialists. KGAL has partnered with project initiator PtX Development GmbH and project planner GP JOULE, the German green energy specialist.**

The Lubmin project is being built on the site of a former nuclear power plant and the land has already been secured. In the first phase of the project, which is scheduled for completion in 2028, an electrolysis capacity of approximately 210 megawatts will be installed. A further 840 megawatts will be added in stages during the second phase. PtX Development, the initiator and developer of hydrogen production sites, has secured the cooperation of integrated energy supplier GP JOULE as project developer. GP JOULE has been active in the hydrogen business since 2012, making it one of the industry’s pioneers.

The location scores highly with its ideal conditions for the production and commercialisation of green hydrogen:

* Availability of up to 2.8 gigawatts of offshore wind energy for electrolysis
* Access to water from the Baltic Sea to produce green hydrogen
* Privileged connection to the extra high voltage electricity grid by provider 50hertz
* Direct connection to the German hydrogen core network, which will transport hydrogen from Lubmin via Bitterfeld and the chemical hub of Frankfurt-Höchst to southern economic centres such as Stuttgart
* Numerous consumers of green hydrogen along the 9,700-kilometre core network, especially large chemical and industrial sites

The strategic importance of the Lubmin hydrogen hub is further emphasised by four other projects planned for the site. In total, an electrolysis capacity of around 4 gigawatts will be created there and hydrogen will furthermore be imported via the industrial harbour. By comparison, Germany’s total electrolysis capacity today is less than 1 gigawatt.

Thomas Engelmann, Head of Energy Transition at KGAL, comments: “Together with the hydrogen core network, Lubmin will make a significant contribution to the decarbonisation of the German economy. This is impact investment par excellence.” As KGAL ESPF 6 is involved in the project at an early stage, investors can participate in the entire value chain. Thomas Engelmann: “Professional partners are of the utmost importance for an early-stage investment. PtX Development and GP JOULE has convinced us with their strategic vision and track record.”

Dr Alan Cadmus, Managing Partner of PtX Development GmbH: “Lubmin is a unique project. The site is one of the key centres for the development of the hydrogen economy in Germany, on a European scale. With KGAL and GP JOULE, we have two strong project partners at our side, to successfully realise the project and implement it quickly.”

Ove Petersen, CEO and co-founder of GP JOULE, comments: “GP JOULE’s vision is ‘100 percent renewable energy for all’. The on-site production of hydrogen plays a decisive role in the integration of green energy into the energy system of the future. It allows enormous amounts of renewable electricity to be collected, converted and utilised at any time. In Lubmin, together with KGAL and PtX Development, we are showing how it’s done.”

**Second high-calibre KGAL ESPF 6 project**

Lubmin is the second flagship project in which the KGAL ESPF 6 impact fund has secured an investment – the first being the Arcadia e-kerosene production plant in Denmark. The fund’s other pipeline has an investment volume of 1.4 billion euros across nine European countries, with a total electrolysis capacity of 18.5 gigawatts.

Carolin Vormann, Head of Institutional Business at KGAL, emphasizes: “In the dynamic growth area of energy transition – and in particular green hydrogen – access to projects and market knowledge are the most important factors for success. KGAL has both of these, demonstrated not least by the fact that KfW Bankengruppe has entrusted KGAL with the management of its 270-million-euro development fund for green hydrogen projects.

The Picture shows a visualisation of the hydrogen hub in Lubmin with the planned PtX Development large-scale electrolyser plant.

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KGAL is a leading independent investment and asset manager with an investment volume under management of around 16 billion euros. Its investments focus on long-term real capital investments for institutional and private investors in real estate, sustainable infrastructure and aviation. The group, which operates throughout Europe, was founded 56 years ago and is based in Grünwald near Munich. 363 employees contribute to achieving sustainably stable returns, taking into account return and risk aspects (as at 31 December 2023).

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