

Press release

São Paulo, October, 2020

Siemens Energy to supply more than 300 MW in steam turbogenerators to Celulosa Arauco

- Project will generate approximately 4.000 jobs
- Reduction of CO² emission by 600,000 t per year

Siemens Energy was chosen by Celulosa Arauco y Constitución S.A, one of the largest pulp and paper producers in the world, to supply energy generation solutions to its plant located in Arauco, at a undergoing expansion unit. The contract foresees a delivery of two SST-600 turbogenerators with a capacity of more than 310 megawatts (MW).

The equipment is part of the project MAPA (Arauco Plant Modernization and Expansion project), the biggest in the Chilean group's history, which will demand investments of USD 2.35 billion from the company. This initiative is part of a project that aims to achieve an average production level of more than 2 million air dried tons per year (ADt/year), using Pine and Eucalyptus in a new production line.

One of the main advantages of this solution is its sustainable aspect, since the turbogenerators will receive steam from two high-pressure boilers that use black liquor (recovery boiler) and wood biomass (power boiler) as fuel. These both units will generate the required process steam for the new pulp mill and the electrical power for the whole plant consumption including the exportation of electricity to the national grid.

Furthermore, both turbogenerators are equipped and connected with the Remote Diagnostic System (RDS), which

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will help to optimize the operation and availability of equipment through daily remote monitoring of various operational statistics, trends and data analyses that will be done from one of the Siemens Energy monitoring centers around the world.

“The proven reliability of our entire portfolio in the pulp and paper market, not only in Chile, but also globally, coupled with the competitive advantages of our equipment, such as high-efficiency, low maintenance and flexibility for use in industrial processes, were decisive factors for the success of this partnership”, said Murilo Teixeira, Sales Manager at Siemens Energy Brazil.

“This is the company’s biggest investment ever and the result of almost seven years of work. After analyzing the attributed value of each bidder solution, we concluded that Siemens Energy’s turbogenerators were the best option to meet the goals of our shareholders for the project MAPA”, states Javier González Rosas, Celulosa Arauco’s Procurement Manager.

Arauco already has 13 turbogenerators from Siemens Energy installed at its plants in Chile, Uruguay and Argentina.

MAPA

The Project MAPA will contribute to fulfill the main objective of the 1992 Convention on Climate Change and Kyoto Protocol (1997), both ratified by Chile. The expectation is that, once implemented, the project will reduce CO² emissions by 600 thousand tons per year. The project includes the implementation of a training and education program to support the creation of roughly four to five thousand jobs during construction. Once the structuring process is concluded, it is estimated that 1.000 job positions will be created, especially in the forestry activities and service areas.

Besides its proven efficiency, the equipment reinforces the company’s sustainability policy, as it will allow Arauco to continue generating clean and renewable energy. That’s because, in addition to supplying the plant with clean energy, a surplus of 166 MW will be produced, which will be delivered to

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Chile's National Electrical System through a transmission line, which is also part of the project and is under construction.

Siemens Energy is one of the world's leading energy technology companies. The company works with its customers and partners on energy systems for the future, thus supporting the transition to a more sustainable world. With its portfolio of products, solutions and services, Siemens Energy covers almost the entire energy value chain – from power generation and transmission to storage. The portfolio includes conventional and renewable energy technology, such as gas and steam turbines, hybrid power plants operated with hydrogen, and power generators and transformers. More than 50 percent of the portfolio has already been decarbonized. A majority stake in the listed company Siemens Gamesa Renewable Energy (SGRE) makes Siemens Energy a global market leader for renewable energies. An estimated one-sixth of the electricity generated worldwide is based on technologies from Siemens Energy. Siemens Energy employs 91,000 people worldwide in more than 90 countries and generated revenue of around €29 billion in fiscal year 2019. www.siemens-energy.com.