Proxima Fusion, RWE, the Free State of Bavaria and Max Planck Institute for Plasma Physics sign agreement to build the world's first commercial fusion power plant in Europe

- Memorandum of Understanding aligns on a concrete path to building the first stellarator fusion power plant, Stellaris, in Europe.

- Proxima's Alpha demonstration stellarator will first be built in Garching, while power plant Stellaris is subsequently planned for Gundremmingen. The two projects are expected to create thousands of jobs and strengthen European competitiveness and energy security.

- Proxima plans to finance approximately 20 percent of project costs through private investment, while Bavaria has indicated a potential state contribution up to €400 million.

Munich, 26th February 2026: Proxima Fusion, Europe's fastest-growing fusion energy company, has signed an agreement with the Free State of Bavaria, RWE, and Max Planck Institute for Plasma Physics (IPP) to put the world's first commercial stellarator fusion power plant on the grid in Europe.

Roadmap to a commercial fusion power plant begins with Alpha

The Memorandum of Understanding (MoU) outlines a roadmap to commercial fusion in Europe that begins with building demonstration stellarator Alpha near the Max Planck Institute for Plasma Physics (IPP) in Garching.

When operational in the 2030s, Alpha will become the first stellarator to demonstrate net energy gain, meaning its plasma will generate more energy than it consumes. The demonstration stellarator will additionally allow Proxima and its partners to test and validate key fusion technologies under real-world conditions and in shorter development cycles, accelerating the path to building the first stellarator fusion power plant, Stellaris.

Site secured for Stellaris power plant

The Stellaris commercial power plant is planned for the site of a former nuclear fission power plant in Gundremmingen, currently being decommissioned by RWE. This agreement marks Europe's first major step toward commercial fusion power, as the continent's leadership in fusion research moves into industrial deployment.

Alpha and Stellaris will together create thousands of jobs and supplier contracts for European manufacturers and engineers, from construction and manufacturing to advanced electrical,

magnet systems, and more. The long-term aim is to make fusion an integral part of Europe's energy system, reduce dependence on imported energy, and, for the first time, apply Europe's fusion expertise to a grid-connected commercial project.

Accelerating fusion industrial scale-up in Europe

Under the MoU, the Free State of Bavaria, Proxima Fusion, RWE and IPP will work together on site selection, permitting and regulatory processes, project structure, and financing.

IPP will lead on plasma physics and the scientific leadership of demonstration stellarator Alpha. Proxima Fusion will lead on engineering, public procurement processes, and construction. RWE will contribute its extensive experience in the construction and operation of complex power plant facilities, as well as its strong global industrial network.

Proxima intends to finance approximately 20 percent of the project's total costs through private international investors. Subject to federal funding, the Free State of Bavaria has indicated a potential state co-financing contribution of 20 percent, up to €400 million. RWE has also signaled its willingness to participate financially within the framework of the MoU.

All four partners are pooling their efforts to maximize chances of success in securing federal funding under the High-Tech Agenda Germany.

Francesco Sciortino, Co-Founder and CEO, Proxima Fusion said: "This MoU is a milestone that visibly positions the European fusion industry on the global stage. It marks the starting point of an industrial ecosystem that consolidates existing and new know-how in Europe and anchors value creation here. This marks the beginning of a long-term industrial growth trajectory over the coming decades, creating new export opportunities for Germany and Europe.

"With Alpha in Garching and Stellaris in Gundremmingen, we are, for the first time in Europe, connecting world-class research, privately financed and publicly supported high-tech innovation, and its industrial implementation at a single location. Bavaria is therefore evolving from a research hub into a foundational location for the fusion industry.

"Together with the Free State of Bavaria, RWE and the Max Planck Institute for Plasma Physics, we are working to put the first commercial fusion power plant in Germany on the grid. This is a strong and internationally visible signal that Europe is actively shaping its own energy future."

Dr. Markus Krebber, CEO of RWE AG, said: "The potential of fusion technology for the energy supply of the future is enormous. Thanks to an excellent research landscape and the start-ups that have emerged from it, such as Proxima Fusion, Germany can take on a key role. That is why it is good that the federal and state governments are jointly pushing this topic forward in order to build the world's first commercial fusion power plant in Germany. We at RWE are happy to support this. Our decommissioning site, with its existing infrastructure combined with our operational expertise, offer ideal conditions to give Germany time and cost advantages in international competition."

Sibylle Günter, Scientific Director of the Max Planck Institute for Plasma Physics, said: "The scientific achievements of recent years have paved the way for this unique public-private partnership that represents tangible progress along the roadmap to a fusion power plant. In the Max Planck Institute for Plasma Physics (IPP), Germany is a world leader in the field of stellarator research and with this MoU we have the opportunity to further expand our world leadership."

Dr. Markus Söder, Minister-President of Bavaria, said: "Another milestone in Bavaria's high-tech success story: nuclear fusion represents an entirely new technology capable of delivering baseload, CO_2-free, clean electricity in virtually unlimited quantities. It has the potential to meet the exponential growth in power demand driven by electric mobility, AI and data centres.

Bavaria is fully committed in the global race for this energy source of the future. Today marks the launch of a partnership between the energy company RWE, the Munich-based physics start-up Proxima Fusion, and the world-leading Max Planck Institute for Plasma Physics in Garching.

Bavaria is executing a 'fusion one-two': we are planning the 'Alpha' demonstration reactor in Garching near Munich and the 'Stellaris' fusion demonstration power plant in Gundremmingen. This will enable both further research into the technology and the testing of its real-world feasibility.

Proxima Fusion intends to establish a magnet factory with private investors and plans to create up to 1,000 jobs. One of the world's largest investor conferences is currently taking place in Munich. The Free State is supporting magnetic fusion research through the Bavarian High-Tech Agenda with up to €400 million, and the federal government also plans to contribute through the German High-Tech Agenda.

All of this is a major undertaking — 'Alpha' alone requires €2 billion. But boldness and momentum are essential when developing future technologies and transferring them from science into commercial application. Only by investing decisively in technology can we secure our future prosperity."

Hubert Aiwanger, Bavarian State Minister for Economic Affairs, Regional Development and Energy said: "Bavaria is in an excellent position to host the first magnetic fusion demonstrator in the state. We are combining the world-leading research expertise of the IPP with the engineering capabilities of the founders of Proxima Fusion. In doing so, we are transforming our strengths into industrial and strategic competitive advantages."

Markus Blume, State Minister of Bavaria, said: "Alpha is a milestone on the path to the first commercial fusion power plant on German, and Bavarian, soil. Seventy years ago, with the Garching research reactor, we were the pioneering site of Germany's first nuclear facility. Now, we aim to be the pioneering location for the national demonstration reactor for nuclear fusion.

The MoU is another result of Bavarian leadership. We were the first federal state to define nuclear fusion as a key strategic mission. With our Fusion Masterplan, we gave the starting signal as early as 2023 to move fusion from research into real-world application. What was once dismissed is now becoming reality.

We have invested, and will continue to invest, because we believe in this technology and in the strength of our unique ecosystem. Together, we can turn a decades-long dream into reality.”