

Regional Cooperation under the EEG 2014

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Brussels, 5 November 2014

Reform of the EEG – Key elements with the view to the internal market

- Cost-efficiency
 - Focussing on wind and solar: most efficient technologies
 - Wind tariffs reduced up to 20%
- Increased market integration
 - mandatory market premium except for small installations
- Cost and quantity control
 - Binding RES deployment corridors
 - Quantity control mechanism
- Compatibility with the EU-framework

Ensure predictability and cost control

- Concrete RES corridors in the electricity sector agreed:
 - In 2025: between 40% and 45% RES share in electricity
 - In 2035: between 55% and 60% RES share in electricity
 - Consequence: 2,5 GW onshore wind and 2,5 GW solar energy per year

Instruments:

- "Flexible cap" (=automatic tariff reduction if newly installed capacity is above corridor) extended to all technologies
- Implementation of tender procedures
 - Starting with pilot projects of PV ground mounted
 - Introduction of tender schemes as of 2017 based on experience made
- Optimal integration and predictability for investors, neighbours and the electricity market

Opening up of the PV pilot tender to EU neighbouring countries

Background on regional RES cooperation

- General interest to enhance regional RES cooperation
 - Jointly tap favorable RES potentials with EU neighbouring countries
 - Enhance coordination and alignment of RES support schemes
- State aid guidelines:
 - Transitional phase (until 2017): requirement to test tender procedures for at least 5 % of the newly installed RES capacity in 2015 and 2016 (margin 127)
 - "Consider positively opening of support schemes" (margin 122)
 - → Opportunity to combine testing of tender procedures and cooperation projects



Requirements for opening (§§2, 55, 88 EEG 2014) I

1. Volume control:

- As of 2017: at least 5 % of the newly annual installed RES capacity
- For the pilot phase (until 2017): a significant amount of the PV pilot tender (ground mounted)

2. Cooperation agreement

- Covering all relevant aspects of the cooperation
- Appropriate share of costs, benefits and target amounts
- Avoiding overcompensation and double support

3. Principle of reciprocity

- Rationale: mutual opening of support
- Details to be negotiated

Requirements for opening (§§2, 55, 88 EEG 2014) II

4. Physical import

- Rationale: "real" impact on German power system and "Energiewende", → not purely virtual approaches
- Reliable proof needed
- Difficulty:
 - Real tracing of green electrons not possible
 - Solution should be in line with internal energy market; no contradictory effects
- Balance needed between virtual and real physical electricity flows which ensures at least an equivalent effect

Time table for the implementation

■ Implementation of <u>national</u> tendering scheme and enactment of ordinance by the end of 2014 or beginning of 2015

Finalisation of the concept for opening: aprox. at the beginning of 2015

 Thereafter: implementation of the tender for a concrete project (depending on cooperation partner)

Thank you.