PRESS RELEASE

Prognos-Fichtner study confirms: Steady and consistent development of offshore wind energy allows for substantial cost reduction

Berlin, 22 August 2013. A new study of Prognos AG and The Fichtner Group concludes that the cost of electricity from offshore wind energy can be reduced by about one third if it is consistently developed and growing over the next ten years. "The identified cost reduction potentials are based on the assumption that offshore wind power will be continuously developed and reach a capacity of 9 Gigawatt or more by the year 2023. This is the way to gain project experience, to promote technological innovation and to significantly decrease costs," said Jens Eckhoff, President of the Foundation OFFSHORE-WINDENERGIE, at today's presentation of the study in Berlin.
Eckhoff continued: "Offshore wind power has a substantial cost reduction potential. However, the industry can only exploit this potential if there are reliable framework conditions to achieve significant market volumes."
The study was commissioned by the German Offshore Wind Energy Foundation, Stiftung OFFSHORE-WINDENERGIE, together with associations and companies of the offshore wind industry.

The experience from initial projects can only be used if there is a continuous market development

The study analyses the expected cost development of electricity generation from offshore wind until the year 2023. For this purpose, two development scenarios were applied to evaluate three typical German sites for offshore wind farms. The first scenario assumes a stable market development and describes the development of at least 9 GW installed capacity in Germany by the year 2023. In this scenario, the cost of offshore wind power decreases on average by about 31 percent across all sites until 2023. The second scenario assumes an optimum market environment with a development of 14 GW until 2023. In this case, costs could decrease by up to 39 percent. "The main driver for cost reduction is a continuous technological development across the entire supply chain. Particularly regarding investment costs, substantial savings can be achieved. Costs for support structures and other components as well as for the installation go down. Larger turbines reduce specific investment costs as the energy yield substantially increases," said Frank Peter of Prognos AG, co-author of the study.

The study also shows that due to increasing experience in project planning, plant construction and operation, the risks - and subsequently the financing costs - can be reduced. In addition, improved logistics, such as the use of more powerful ships and an optimised infrastructure, can positively affect the costs of offshore plant operation and maintenance. The analysis also shows that in an optimum market environment an expanded serial production and increasing competition will contribute to cost reduction.

Eckhoff explained: "In Germany, we have a number of projects ready and waiting. Currently they lack the required investment security. In order to be able to use the experience gained from the first German offshore wind farms and to promote the further development of the industry, a timely implementation of these projects is necessary. This way offshore wind energy can make an essential contribution to tomorrow's energy supply."

Who commissioned and supported this study?

The study was initiated and commissioned by The German Offshore Wind Energy Foundation, with the support of other organisations such as Forum Windenergie (OFW), VDMA Fachverband Power Systems, Windenergie-Agentur WAB e.V. as well as the companies Wind GmbH, BARD Engineering GmbH, DONG Energy Renewables Germany GmbH, EnBW Erneuerbare und Konventionelle Erzeugung AG, E.ON Climate & Renewables Central Europe GmbH, EWE Vertrieb GmbH, IBERDROLA Renovables Offshore Deutschland Zwei GmbH, RWE Innogy GmbH, SIEMENS AG Wind Power Power Division, SWM Stadtwerke München GmbH, Trianel Windkraftwerk Borkum GmbH & Co. KG, Vattenfall Europe Windkraft GmbH, WindMW GmbH, and wpd Offshore GmbH.

The study is available for downloading at www.offshore-stiftung.com.

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