

Press release

Bundesnetzagentur publishes auction results:

A paradigm shift for offshore wind energy :

First subsidy-free projects raise pressure to expand grid, highest bid at 6.0 cents per kilowatt-hour.

Berlin, 13 April 2017.

Today, the Bundesnetzagentur has published the results of its first auction for offshore wind energy projects. The dramatically reduced prices of these bids, maxing at 6.0 cents per kilowatt-hour, primarily reflect the rapidly falling costs in the industry, resulting from industrialization and a steeper learning curve. A majority of the projects chosen today are to be realized with no financial support at all; the lowest bid selected came in at 0.0 cents per kilowatt-hour. This means that due to the future expansion of offshore wind farms, electricity customers will hardly need to pay for any additional EEG-funded support for new offshore wind farms after 2020.

The industry believes it to be essential for the federal government to lift caps on expansion of offshore wind energy during the next legislative session, at the latest. The current ceiling of 15 gigawatts until 2030 was primarily introduced in order to better control the cost of transitioning to renewable energies. Today's results clearly show that offshore wind energy already has the capacity to become the centerpiece of an affordable transition to renewable energies in the near future. Both government and the Bundesnetzagentur are required to take courageous steps supporting grid expansion and the realization of sector coupling in order to benefit more from the now obvious potential of offshore wind energy.

The first auction covered a total capacity of 1,550 MW for offshore wind farms in the German Baltic and North Seas. These are to be put into service between 2021 and 2025, with grid connections for North Sea wind farms only available starting 2023. A total of 23 projects were eligible to take part in this auction round. In distinction to other EU countries, where different companies submit bids for a project at a given site, the German federal government has introduced an interim system where several pre-developed projects at different are competing with one another. Under this system, which functions as an interim step towards a central auction model with its first auction planned for 2021, a number of different-priced bids are chosen within one auction round. In contrast to the procedure applied for other renewable energy technologies, the federal government has introduced this interim system in order to account for the large-scale upfront investments and long-term planning horizons required for offshore wind farms. This interim system was meant to avoid completely disincentivizing a multi-year and cost-intensive development process.



About AGOW:

The members of the Working Group for Offshore Wind Energy (AGOW) build and operate offshore wind farms in the North and Baltic Seas, allowing AGOW to consolidate the strength and know-how for a successful shift to renewable energy in Germany and Europe. AGOW currently has 16 member enterprises that build and operate offshore wind farms.

About OWIA:

The four wind energy networks in northern Germany, Wind Energy Agency (WAB) in Bremerhaven, Renewable Energy Hamburg Cluster Agency (EEHH) in Hamburg, Wind Energy Network (WEN) in Rostock, and Renewable Energy Network Agency (EE.SH) in Husum, work together as the Offshore Wind Industry Alliance (OWIA) in Berlin, thereby linking the North Sea and Baltic markets for businesses located in Germany's coastal states and beyond. OWIA was founded in 2012 by WAB, EEHH and WEN, and EE.SH joined the alliance in 2013. OWIA is the advocate for roughly 600 businesses, institutes and organisations that are members of these four networks. OWIA is committed to representing their industrial and energy policy interests. Its members belong to the entire value chain – from project developers and operators to turbine manufacturers, suppliers, and related service providers.

About Stiftung OFFSHORE-WINDENERGIE:

The non-profit German industry foundation for the use and exploration of offshore wind energy was founded in 2005 on the initiative of the industry and under the aegis of the Federal Ministry for the Environment, Nature Conservation and Reactor Safety (BMU). The aim of the foundations is to consolidate the role of offshore wind energy in Germany's future energy mix, and to promote its expansion in the interest of environment and climate protection.

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