

Presentation

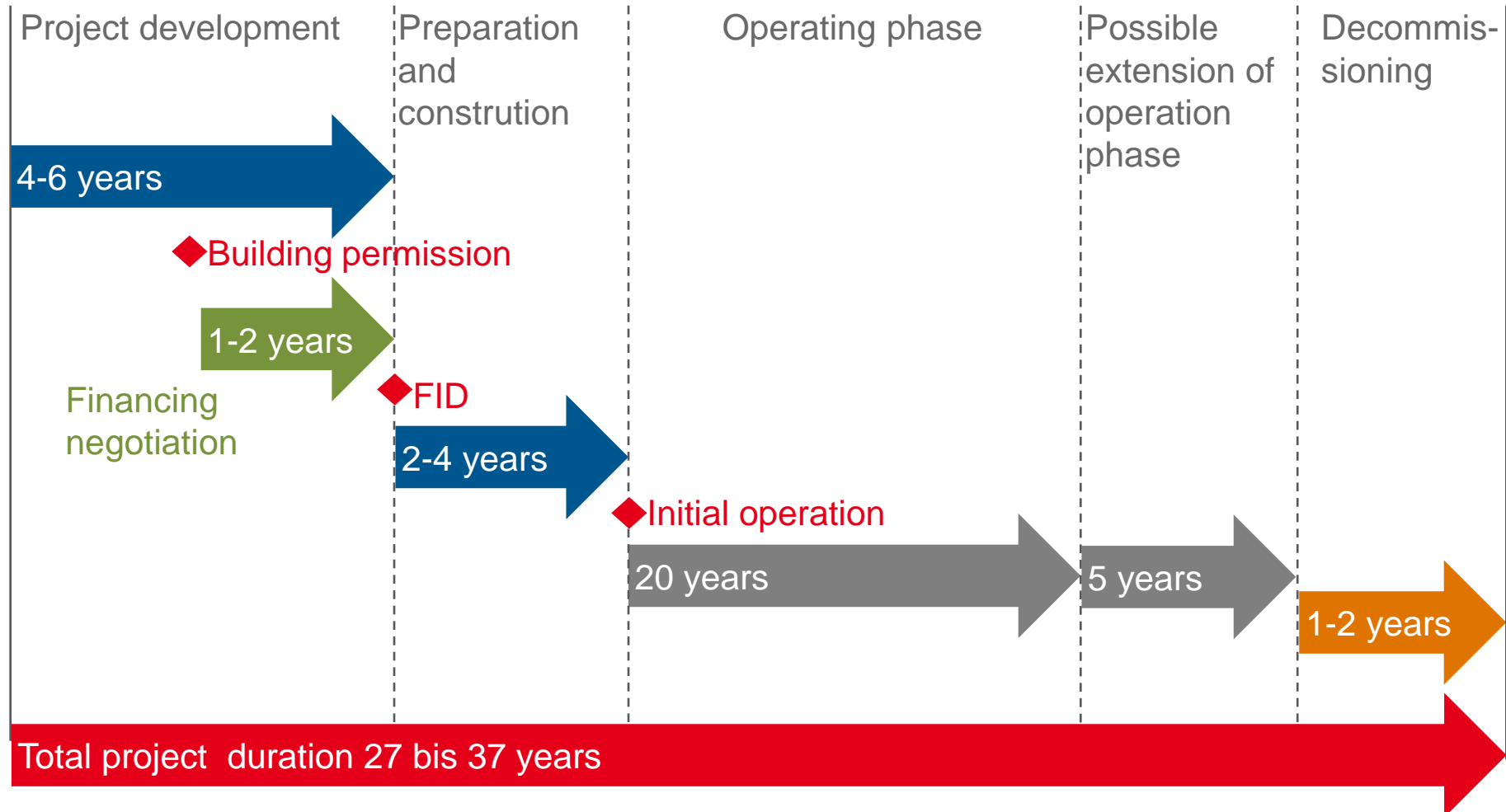
# One year after the cost reduction study – What has happened since then, and what's next?

Workshop

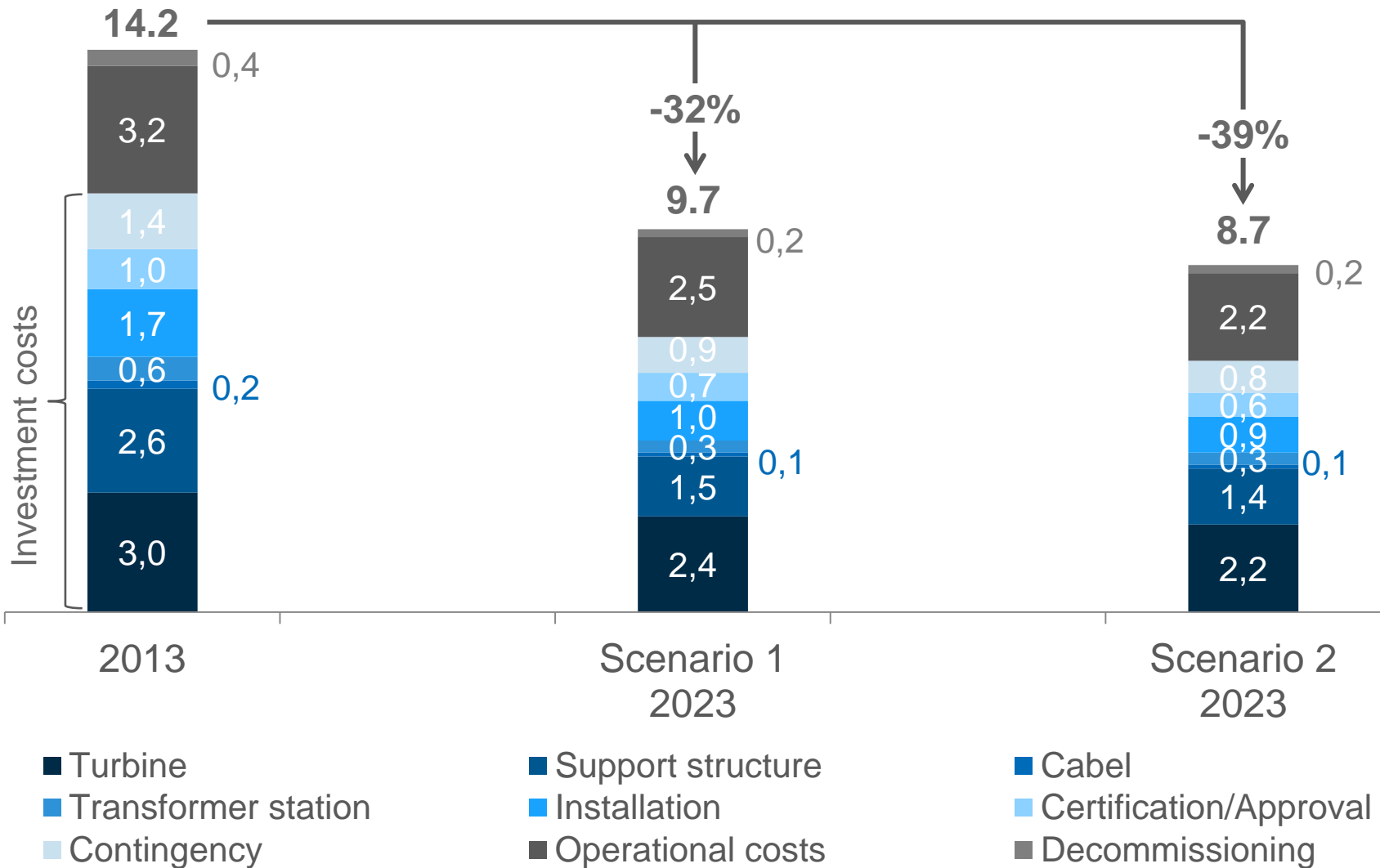
26th September 2014 | Hamburg



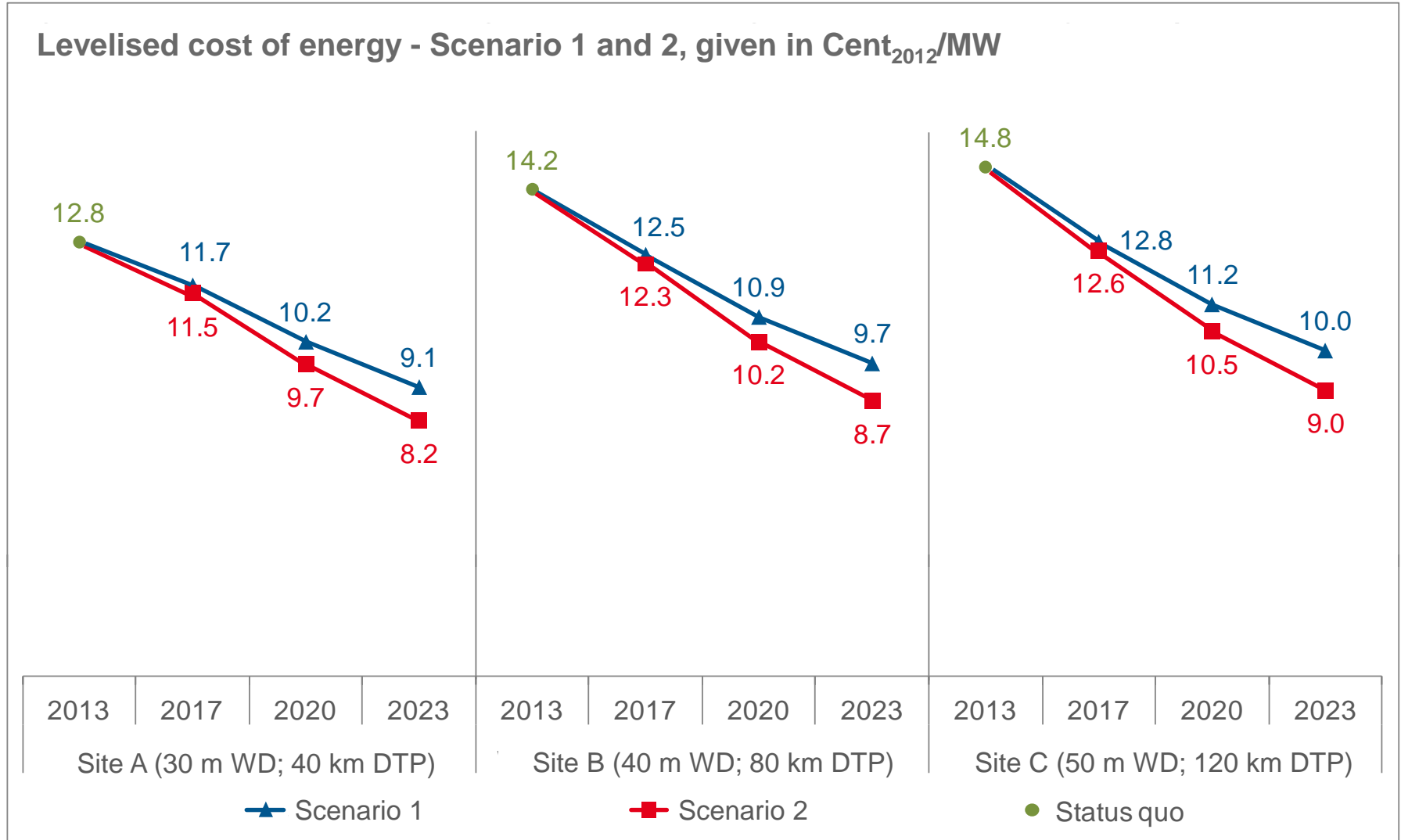
Planning and construction periods of up to ten years require a long-term stable legislative framework



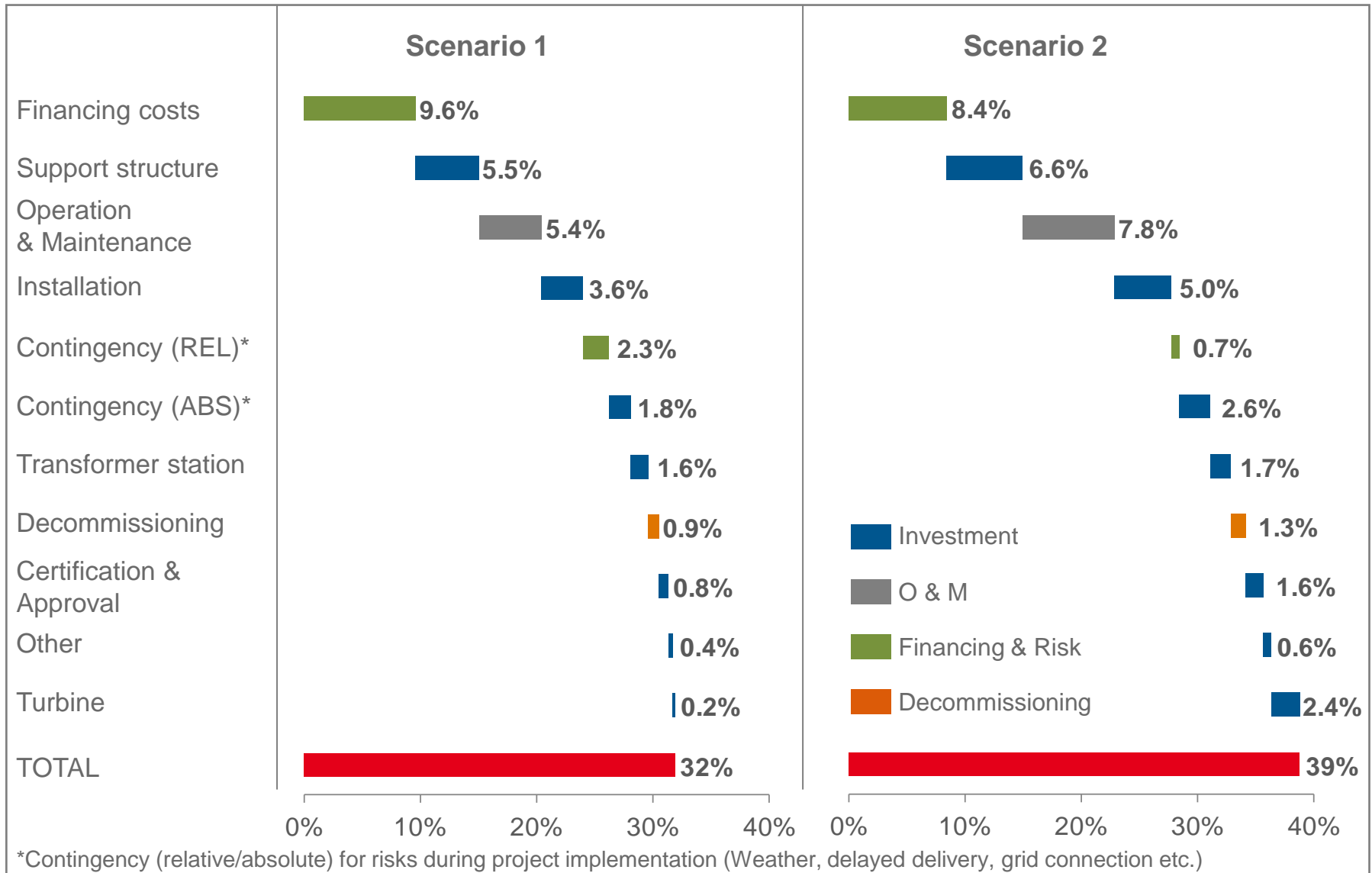
Scale up to larger turbines and an increased competition will increase the cost reduction of offshore technologies in the second scenario



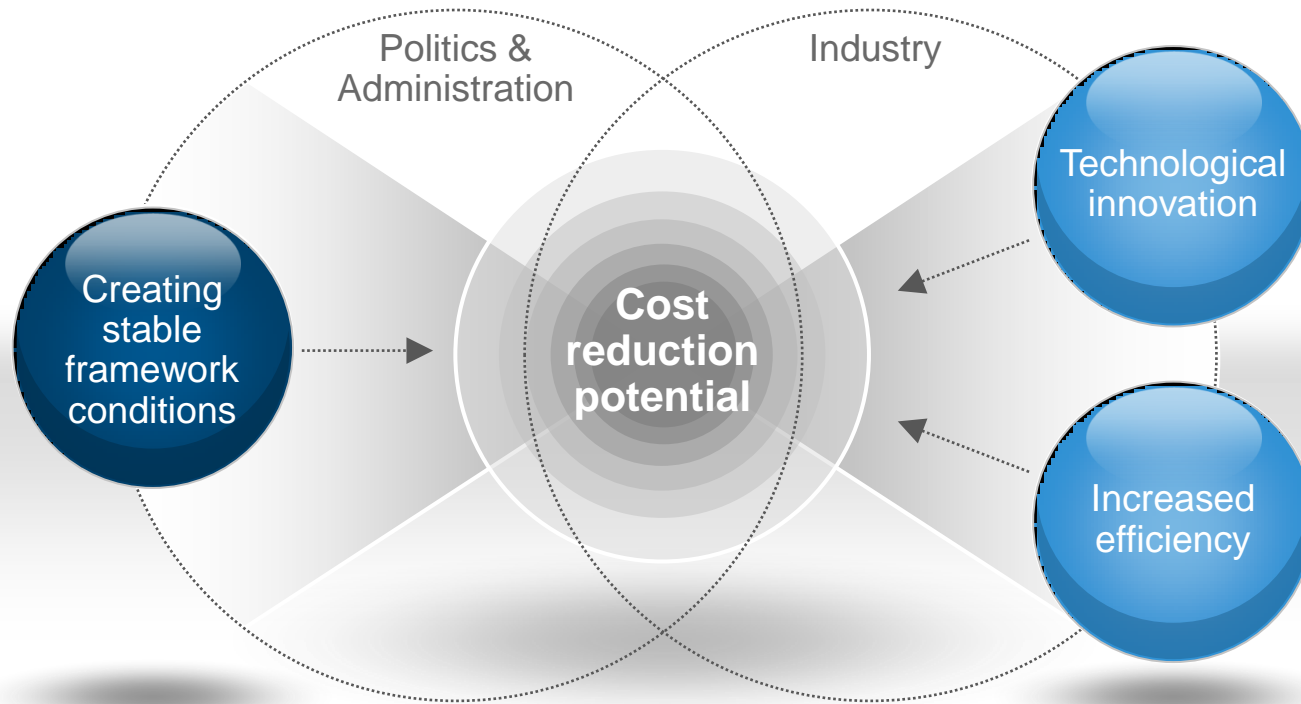
On average the LCOE can be reduced by 31 % to 39 % until 2023



Two third of the cost reduction potential is driven by the technology



The realisation of the cost reduction potentials requires the full participation of all stakeholders



A continuous development of the market is a prerequisite for further cost reductions.

### **Recommendations for the policy environment and regulatory framework:**

- Create stable legal and policy frameworks
- Define standards for plant components and grid connections
- Simplify criteria for certification and permitting

### **Recommendations to the industry for technological innovation:**

- Optimize system technology for high capacity utilization or maximum wind yield
- Optimize existing support structures or develop new structures
- Improve installation logistics
- Intensify research and development

### **Recommendations to the industry for improving efficiency:**

- Develop joint maintenance and installation concepts with several operators
- Advance serial production

What has happened since the publication of the study?

### The German EEG was revised:

- Increased political understanding of the technology and its specific needs.
- The renewable energy law now offers a stable legal and policy frameworks for offshore wind up to 2020.
- The government plans to have 6,500 MW installed capacity by 2020 and has extended the acceleration model until the end of 2019.
- The rate of remuneration should cover the planned investments in offshore wind and remain stable up to the end of 2017. Subsequently, the feed-in tariff's level of remuneration will periodically be further reduced.
- From 2017 on there might be auctions or tenders for future offshore wind projects.

### What's next for the offshore wind energy Industry:

- **Transparency of cost reduction:** The industry should prove the ability of cost reduction with the given legal and policy framework.
- **Diversification of the markets:** Other markets have to be developed to establish a long-term stable industrial success.
- **Get ready for tender schemes:** In the long run, EU state aid guidelines generally require competitive bidding processes for all renewable energy support.



We provide orientation.



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