

Press Release

Bonn, 12. April 2018

The results of the joint auctions for solar and wind installations

Jochen Homann: "Wind and solar are essential for the Energiewende"

The Bundesnetzagentur today announced the results of the first joint auction for onshore wind energy and solar power installations.

"Only bids for solar power stations have been accepted. In competition, the technology that prevails is the one that can offer the lowest costs," said Jochen Homann, Bundesnetzagentur President. "However, the Energiewende needs a mix of different technologies for it to be a success," he continued.

Average bid price 4.67 ct/kWh

Some 32 bids totalling 210 megawatts (MW) have been accepted. The average, volume weighted price of the successful bids is 4.67 cents per kilowatt hour (ct/kWh). In the last exclusively solar auction, this was 4.33 ct/kWh. The lowest price accepted was 3.96 ct/kWh and the highest 5.76 ct/kWh.

Five of the successful bids totalling 31 MW were for projects on farmland or grassland in less-favoured areas in Bavaria and three bids totalling 17 MW in Baden-Württemberg.

Auctions under the EEG

The German Renewable Energy Sources Act (EEG) provides for pilot project, joint auctions in which technologies compete. Some 54 bids were received, of which 18 were for onshore wind farms and 36 for solar power stations.

The award success of solar installations shows that the technology has won out that has already proven the extent to which costs may be reduced in previous auctions. A factor to be considered in the bids for wind farms in less profitable locations is that, contrary to the standard auctions, the disadvantages under the awards procedure will not be compensated.

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Distribution network expansion areas without major effects

Distribution network expansion areas, as they are known, have been introduced as a tool in the competitive bidding procedure. Bids in those areas in which many renewable energy installations are already to be found have had a bid premium applied, which reduces their chances of winning the award. This is intended to take account of a greater need for distribution network expansion in those areas.

This special arrangement does not have any significant effect on the successful projects. Most of the awards are found in the distribution network expansion areas. Without this modification, however, at least one bid for wind farms could have been accepted.

Auction volume oversubscribed

The bids received by the Bundesnetzagentur totalled 395 MW; hence the auction volume of 200 MW was oversubscribed twice. The volume weighted price for solar power plants was 4.82 ct/kWh and for onshore wind farms 7.23 ct/kWh.

Only three bids had to be excluded on formal grounds.

The next auction for onshore wind energy is on 1 May 2018; and the next deadline for submitting bids for solar power plants is 1 June 2018.

The awards can be found on the Bundesnetzagentur website (in German) here <u>www.bundesnetzagentur.de/gema18-1</u>. Further statistics will be published shortly.

The Bundesnetzagentur is an authority under the responsibility of the Federal Ministry for Economic Affairs and Energy. Its core tasks include supervising the energy, telecommunications, postal and railway markets.

As part of its mandate, the Bundesnetzagentur ensures that as many undertakings as possible can use the infrastructure in these sectors so that consumers benefit from competition and favourable prices.

The authority employs over 2,900 people at its headquarters in Bonn and Mainz and its 46 regional offices.