



# Press release

Bonn, 01 April 2021

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## Results of second coal phase-out tendering process

The Bundesnetzagentur has today announced the successful bids in the second tendering phase in accordance with the Act to Reduce and End Coal-Fired Power Generation (KVBG). The aim of tendering is to reduce coal-fired electricity generation from hard coal-fired power plants and small lignite-fired power plants.

*"The tendering process was again oversubscribed,"* said Jochen Homann, Bundesnetzagentur President. *"The highest bid awarded a tender is well below the maximum price set by law."*

### Competition leads to low tenders

The volume put out to tender of 1,500 megawatts (MW) was oversubscribed. Three bids with a total volume of 1,514 megawatts (MW) have been awarded a tender. The largest volume granted a tender is 757 MW and the smallest 67 MW. No bids had to be excluded from the process.

The prices of the bids awarded a tender range from €0 per MW to €59,000 per MW, with each successful bidder being paid the individual price that they bid. The competition has thus pushed the prices of the successful bids well below the maximum price set of €155,000 per MW.

The plants that have been awarded a tender may no longer burn coal as from 8 December 2021.

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### Award procedure

Unlike in the first round, plants in the south of Germany were also allowed to participate in the tendering process this time.

Since the tendering process was oversubscribed, the tenders were awarded using an indicator, which is normally calculated for each bid by dividing the price bid by the average annual historical CO<sub>2</sub> emissions per MW of the coal plant's net rated capacity.

Bids are accepted in ascending order until the volume available has been exhausted.

The four TSOs have jointly informed the Bundesnetzagentur of those participating facilities that should be viewed as necessary for the secure operation of the electricity network based on the criteria set out in the KVBG. A network factor was applied to these facilities in setting the bid order since in all likelihood they cannot be shut down but instead must be designated as essential for the system.

The network factor is added to the price bid, which moves the bid further down in the order. This addition to the price bid helps limit the costs of the coal phase-out. A facility of this type would receive only the price bid, not the increased price caused by adding on the network factor.

Due to the competitive situation, no power plant with a network factor bid successfully.

### Further steps in the process

Details of the tenders awarded (in German) have been published on the Bundesnetzagentur website at

[www.bnetza.de/kohleausschreibung21-1](http://www.bnetza.de/kohleausschreibung21-1)



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The TSOs check whether the facilities with a successful bid are essential for the system. If the Bundesnetzagentur grants a TSO's request to designate a plant as essential for the system, the plant will be available for the grid reserve. The plant will then no longer be able to sell electricity on the electricity market, but it will be available in critical situations to safeguard the electricity grid. In light of assessments of the network factor, however, it is possible that no applications will be submitted in this round for designation as a plant that is essential for the system.

Information on the steps in the process is available (in German) on the Bundesnetzagentur website at [www.bundesnetzagentur.de/kohleverfahren](http://www.bundesnetzagentur.de/kohleverfahren).

The next tendering date is 30 April 2021. Information may be found (in German) on the Bundesnetzagentur website at [www.bnetza.de/kohleausschreibung21-2](http://www.bnetza.de/kohleausschreibung21-2).

Map data is available (in German) at [www.bnetza.de/kohlekarte-uebersicht](http://www.bnetza.de/kohlekarte-uebersicht) and [www.bnetza.de/kohlekarte-ausschreibung](http://www.bnetza.de/kohlekarte-ausschreibung).

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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.

## Bezuschlagte Anlagen der zweiten Ausschreibung zur Reduzierung der Kohleverstromung



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