



Press release

Bonn, 8 October 2021

Page 1 of 2

Bundesnetzagentur publishes report on minimum generation

Vice President Peter Franke: "Proportion of conventional power plant capacity that does not respond to prices is falling"

The Bundesnetzagentur has today published its third report on minimum generation in the electricity sector.

"The decommissioning of nuclear and coal-fired power plants is also having an effect on the part of the conventional generating capacity that responds only weakly to prices. So we can see a move towards a carbon-neutral generation landscape," said Peter Franke, Bundesnetzagentur Vice President.

The aim of the report is to improve the state of knowledge about the market and network-related reasons that conventional generation does not respond more sensitively to price signals, and thus to increase the opportunities to integrate more renewable generation into the system.

The report, now released for the third time, comes out every two years. As well as the analysis of the reasons why plants do not react to market signals, the focus of the report has shifted to the outlook for options to use renewable generation in the field of ancillary services and thus to reduce the actual minimum generation.

Generating capacity when electricity prices are negative

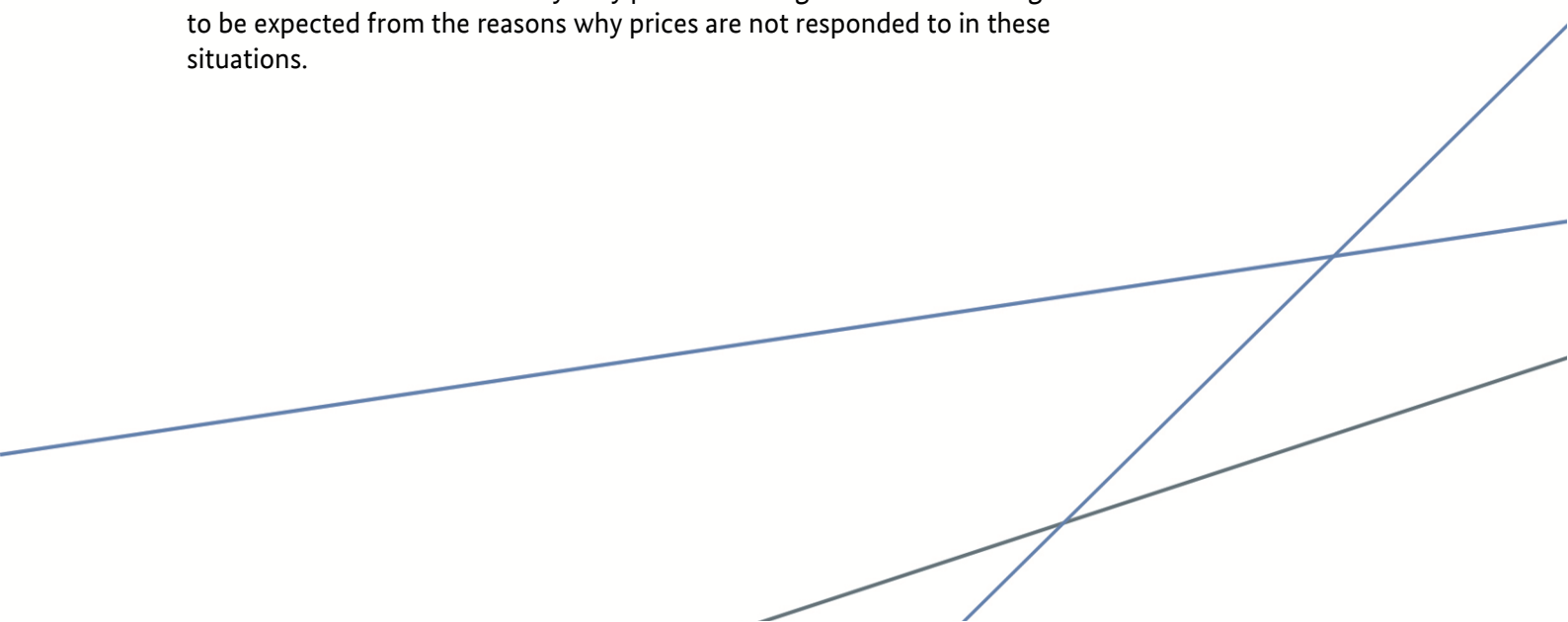
Selected time periods with negative electricity prices in 2019 and 2020 were examined. When electricity prices are negative, power plant operators pay customers to take the electricity they produce. A large number of findings are to be expected from the reasons why prices are not responded to in these situations.

Bundesnetzagentur
Tulpenfeld 4
53113 Bonn

[bundesnetzagentur.de](https://www.bundesnetzagentur.de)
twitter.com/bnetza

Press contact person
Fiete Wulff
Head of Press and Public
Relations

Tel. +49 228 14 - 9921
pressestelle@bnetza.de





Bonn, 8 October 2021

Page 2 of 2

Minimum generation

Only a small proportion of the price-inelastic conventional generation is actually necessary for the functioning of the networks. This share is called minimum generation.

Minimum generation accounted for between 23% and 32% (approximately 4 to 7 GW) of the price-inelastic generation in the periods of 2019 and 2020 that were analysed in the report. The largest share was due to the provision of negative balancing capacity by conventional power stations. This share could be reduced if more renewable energy installations participated in the balancing energy market and provided negative balancing capacity. However, operators and direct sellers do not often decide to take part in the balancing energy market at the moment.

Conventional generation base

There has been a noticeable decrease in the amount of price-inelastic generating capacity not caused by network-related reasons since evaluations started in 2015.

While the "conventional generation base" still made up the great majority of the price-inelastic conventional generating capacity in the periods of 2019 and 2020 under review, its share fell from between 19 and 24 GW to between 13 and 14 GW in the examined periods with negative prices since 2015, due in particular to the decommissioning of nuclear and coal-fired power plants.

www.bnetza.de/mindesterzeugung

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.