Bundesnetzagentur

Press release

Bonn, 25 August 2023

Results of final coal phase-out tendering process

The Bundesnetzagentur has today announced the successful bids in the final tendering process for the phasing out of coal-fired electricity generation.

"The last tendering process is an important milestone in the coal phaseout. A total of over 40 facilities with a capacity of more than 10 gigawatts will no longer burn coal to generate electricity. The remainder of the coal phaseout will now take place solely by order of the Bundesnetzagentur. These orders will then be applied to the oldest power stations. The operators of these power stations will no longer be financially compensated," says Klaus Müller, President of the Bundesnetzagentur.

Six successful bids in the tendering procedure

The auction had a volume of 542 megawatts. With bids totalling around 280 megawatts, the auction was undersubscribed. All bids were successful. The lowest bid was €45,000 per megawatt and the highest bid was €85,200 per megawatt.

For the first time, only small facilities with a net rated capacity of less than 150 megawatts participated in the auction. As from 2 March 2026 coal may no longer be burned in the plants with a successful bid. They can remain active in the electricity market until then.

Further information is available in German at
www.bundesnetzagentur.de/kohleausschreibung23

Undersubscription results in coal-fired operation ban

Due to the undersubscription, a coal-fired operation ban without compensation will be issued for the tender volume that was not awarded (around 262 MW).

The ban will apply to the oldest power stations on the list of power plants until the annual reduction target is met. Thus a coal-fired operation ban will

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be issued for the HLB7 power station, which belongs to EnBW Energie Baden-Württemberg AG. The banning of HLB7's coal-fired operation (with a net rated capacity of nearly 780 MW) results in an over-achievement of the tender volume. The ban enters into force 30 months after it is issued.

System essentiality

If the transmission system operators (TSOs) determine that a facility is essential for the system and the Bundesnetzagentur approves its designation as such, the facility will remain available in the grid reserve after 2 March 2026. The plant will then no longer be able to sell electricity on the electricity market, but it will still be available in critical situations to safeguard the electricity grid. This ensures security of supply.

Further details about the statutory reduction are available in German at www.bundesnetzagentur.de/gesetzlicheReduzierung

End of coal phaseout auctions

In the future the Bundesnetzagentur will only issue an administrative order to ban coal-fired operation. As from 2027, this will further reduce and eventually end coal-fired electricity generation. Orders will be issued for the oldest facilities on the list of power plants until the annual reduction goals are met. Operators of hard coal-fired power plants and small lignite-fired power plants will no longer receive financial compensation in future for not burning coal in their facilities.

In seven auction rounds the Bundesnetzagentur put up a total of 10.9 gigawatts of net rated capacity for auction. Successful bids were placed by 41 facilities for around 10.7 gigawatts. The Bundesnetzagentur issued a coal-fired operation ban for three other facilities with a net rated capacity of 1.4 gigawatts.

The Bundesnetzagentur für Elektrizität, Gas, Telekommunikation, Post und Eisenbahnen is an independent higher federal authority with its main office in Bonn and is under the responsibility of the Federal Ministry for Economic Affairs and Climate Action (BMWK). Some of its areas of activity fall under the substantive supervision of the Federal Ministry for Digital and Transport (BMDV).

