

DFBEW-Conference, 8th September 2021

Offshore Wind Energy in Germany and France

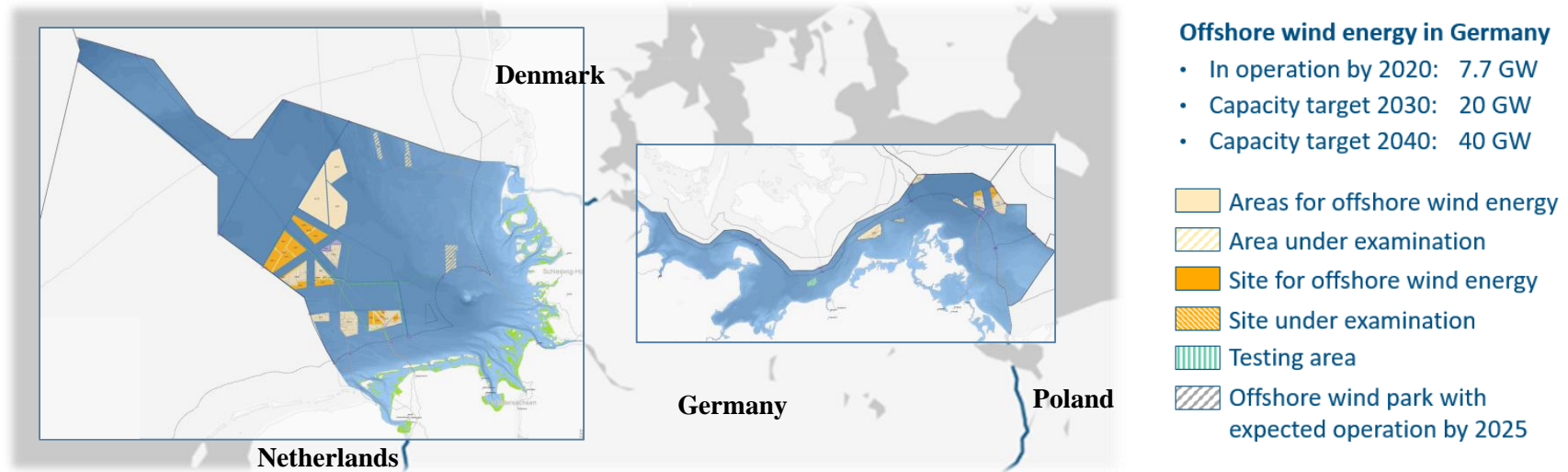
The German Auction System for Offshore Wind Energy

Offshore Wind Energy in Germany

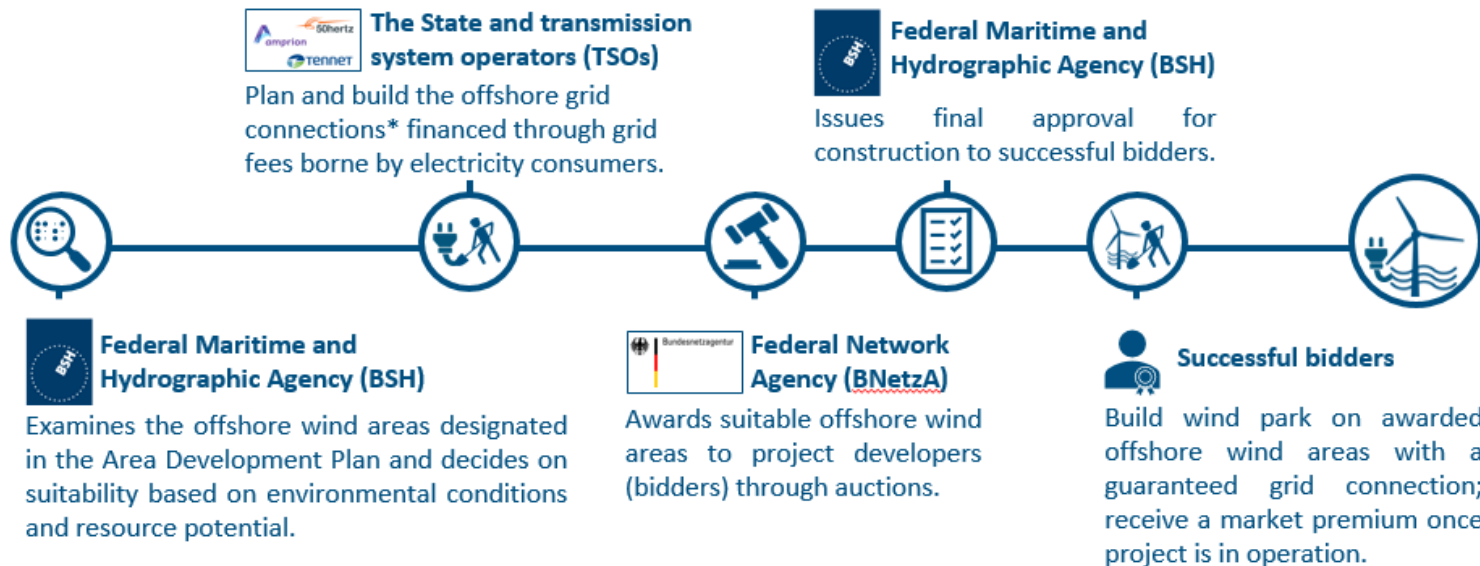
- Offshore wind plays an important role for Germany's Energy Transition as decarbonisation option but also industrial opportunity
- The offshore wind industry in Germany accounts for 1.9 billion EUR in annual investments and nearly 25.000 employees
- 2017: Switch from FIT to competitive auctions with transition system for Offshore
- 2020: revision of the offshore wind energy act with increased capacity targets
 - 20 GW by 2030
 - 40 GW by 2040
- Sites, support & grid connection awarded through centralised auction model

Capacities in the North and Baltic Sea

Spatial Development Plan for North Sea and Baltic Sea Exclusive Economic Zones (EEZ)









The German Auction System



Source: Guidehouse 2020 based on BSH 2019
Icons from Flaticon

Pre-selected offshore wind areas to be auctioned from 2021 onwards

Site selection		By the Federal Maritime and Hydrographic Agency (BSH)
Auction volume		~1 GW annually (2021-2023), ~3 GW (2024), ~4 GW (2025)
Commissioning		From 2026 onwards
Guarantees		€200/kW
Bid award		Lowest bid offered; if multiple zero-subsidy bids by lot
Revenues		a.) electricity market sales + b.) feed-in premium



Germany's offshore wind targets increase long-term planning security for investment

- Long-term targets increased to 20 GW by 2030, 40 GW by 2040
- Streamlining of administrative procedures for offshore wind projects
- In cases of multiple zero-subsidy bids for an auction area, the bid is awarded by lot



Ceiling prices for

auctions	
2021	7.3 ct/kWh
2022	6.4 ct/kWh
2023	6.2 ct/kWh

ct: cent / kWh: kilowatt hour

Subsidies for some winning projects have gone down as low as zero in the offshore auctions in the transition phase



Auction round	Capacity awarded	Lowest bid awarded	Highest bid awarded	Realization
April 2017	1490 MW	€0 cents/kWh	€6.0 cents/kWh	by 2025
April 2018	1610 MW	€0 cents/kWh	€9.8 cents/kWh	by 2025
Sep 2021	958 MW	-	-	by 2026

Further Topics

Hydrogen Production Offshore

- current work on a regulation that grants sites for pilot projects

Cooperation

- Bilateral cooperation with Denmark, close exchange with other neighbors (LoI 2020)
- Regional cooperation within the North Seas Energy Cooperation (NSEC) and the Baltic Energy Market Interconnectgion Plan (BEMIP)

Thank you for your attention.

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