WWEA
World Wind Energy Association

Welt-Windenergie Verband
Asociación Mundial de la Energía Eólica
世界风能协会
세계풍력에너지협회
Всемирной Ветроэнергетической Ассоциации

LANDESVERBAND ERNEUERBARE ENERGIEN NORDRHEIN-WESTFALEN
LEE NRW

3rd International Community Wind Symposium 2018 and Community Power Forum

6 September 2018 / Bonn

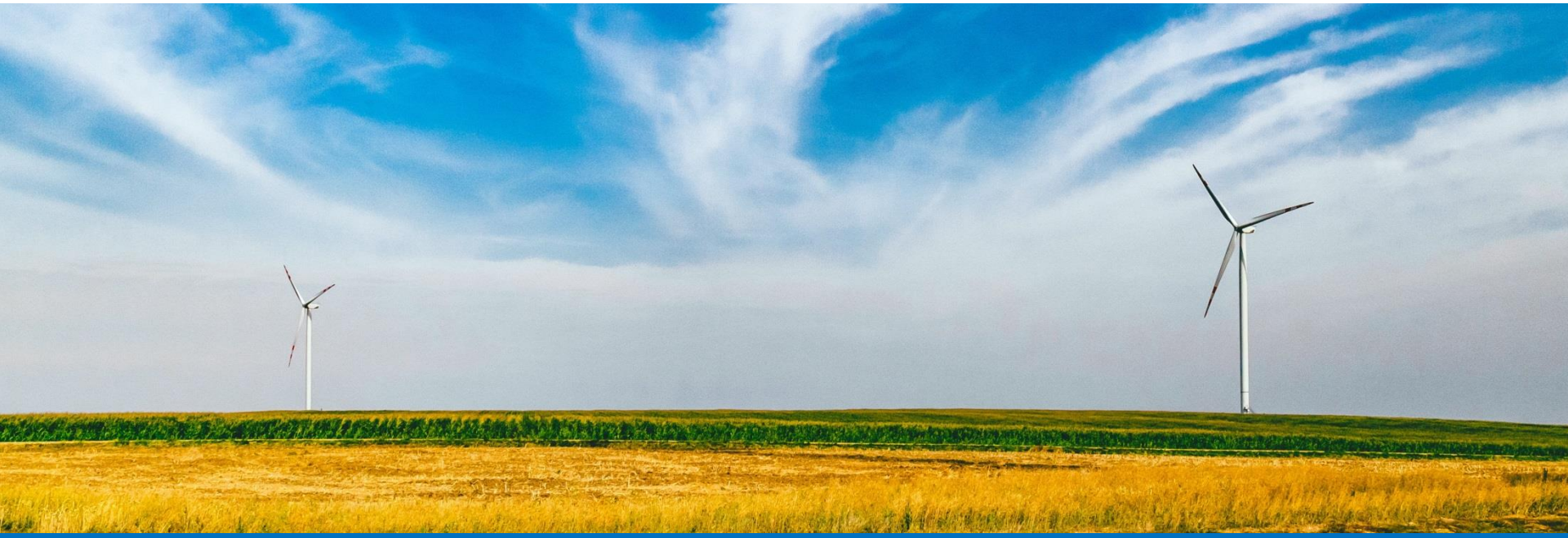
In Cooperation with

EnergieAgentur.NRW

Genossenschaftsverband
Verband der Regionen

Community Wind in North Rhine-Westphalia

Fabian Tenk, Project Coordinator



Germany's Renewable Energy Act (EEG 2017)

German Auction Scheme Onshore Wind

- To receive a remuneration for 20 years a (successful) participation in an auction system is required
- Four auction rounds take place in 2018, (1 February/1 May/ 1 August/1 November), with a capacity of 700-670 gigawatts (GW) per round.
- Bidders should submit bids for fully developed projects (including BImSchG-approval)
- Bidders are required to lodge a guarantee of 30€/kW
- Bid = remuneration for 1kWh converted to a 100%-site

Germany's Renewable Energy Act (EEG 2017)

Compensation Arrangement

- The bid is placed for an 100% site
- Highest bid is 6.3 ct/kWh (in 2018)
- Afterwards conversion on project-specific wind yield
- Wind energy yield in the region of NRW is usually between 70-80%.

The bid will be adjusted by the following correction factors:

Wind Energy Yield	70%	80%	90%	100%	110%	120%	130%	140%	150%
Correction Factor	1,29	1,16	1,07	1,00	0,94	0,89	0,85	0,81	0,79

Example

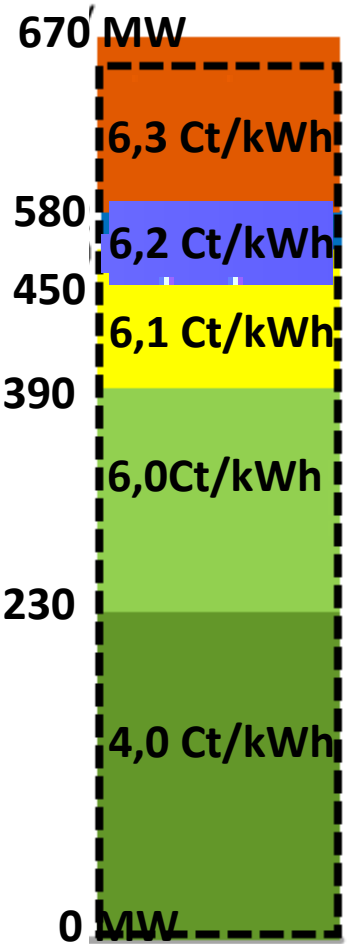
Wind yield: 70% →correction factor 1,29

With a bid of 6,30 ct/ kWh the project gets the following remuneration: 6,30 ct/kWh x 1,29 = 8,127 ct/ kWh

Germany's Renewable Energy Act (EEG 2017)

Compensation Arrangement

- Bid acceptance for most competitive bids until capacity limit for each round is reached („pay as bid“).
- After bid acceptance: implementation deadline of 30 Month (after 24 month contractual penalty occure).
- Successful projects receive remuneration for 20 years.



Germany's Renewable Energy Act (EEG 2017)

Privileges for Community Wind in 2017

A. Possibility to participate in the auctioning process without a prior approval under the Federal Emission Control Act (BImSchG approval).

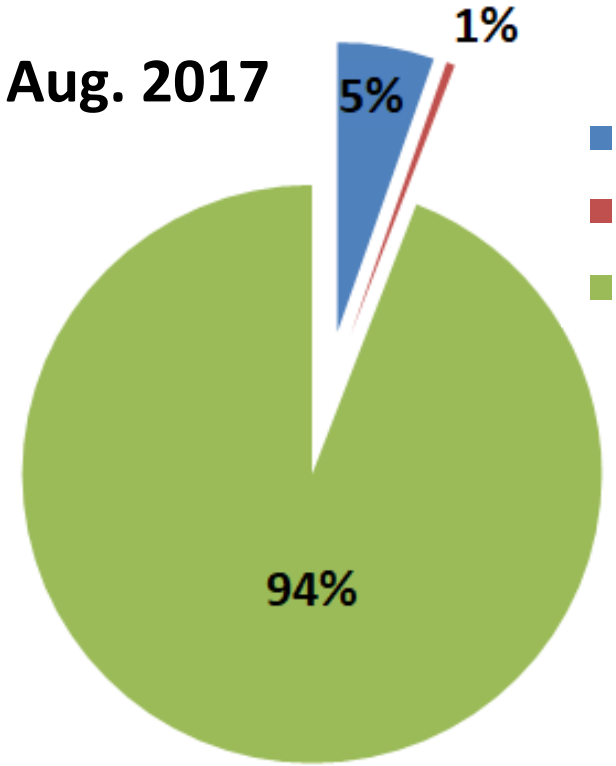
B. A bid bond of only € 15 per kW due by bid submission (instead of € 30/ kW; other half required only if bid is successful).

C. Community projects are granted the highest awarded bid as the remuneration level (uniform pricing-principle) in contrast to other actors, who receive exactly their bid (if successful).

D. Community Wind entities have an extended deadline for commissioning by 24 months.

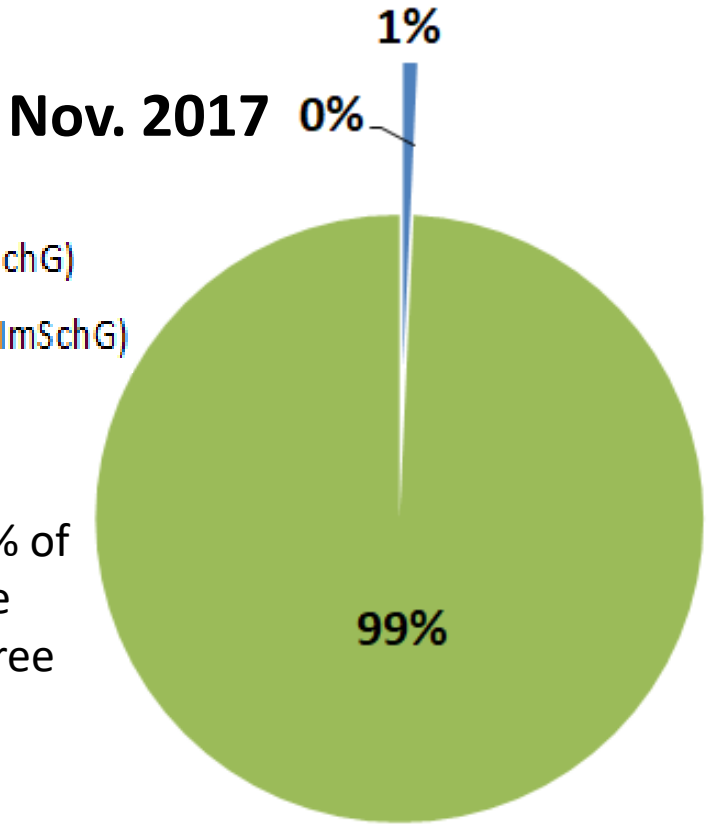
Germany's Renewable Energy Act (EEG 2017)

2nd and 3rd Onshore Wind Auction



Commercial Actors
Community Wind (with BImSchG)
Community Wind (without BImSchG)

On average around 70% of submitted bids were unsuccessful in the three rounds of 2017.



Tendered quantities: 1.000MW
Highest bid acceptance: 4,29 Ct/kWh

Tendered quantities: 1.000MW
Highest bid acceptance: 3,82 Ct/kWh

Germany's Renewable Energy Act (EEG 2017)

Qualification requirements for Community Wind

A. A minimum of ten shareholders of the bidding project have to be natural entities.

B. Each member's share of **voting rights** must not be higher than 10% and all natural entities have to hold at least 51% of all **voting rights.**

C. A minimum of 51% of the **voting shares** has to be held by shareholders who live in the administrative district in which the wind farm will be erected.

Germany‘s Renewable Energy Act (EEG 2017)

Bidders strategies in 2017

Trade register excerpt of a successful project in Germanys 2nd onshore wind auction (Aug. 2017)

Kommanditist(en):

[redacted] Einlage: 100,00 EUR
[redacted] Einlage: 100,00 EUR
[redacted], Einlage: 100,00 EUR
[redacted], Einlage: 100,00 EUR
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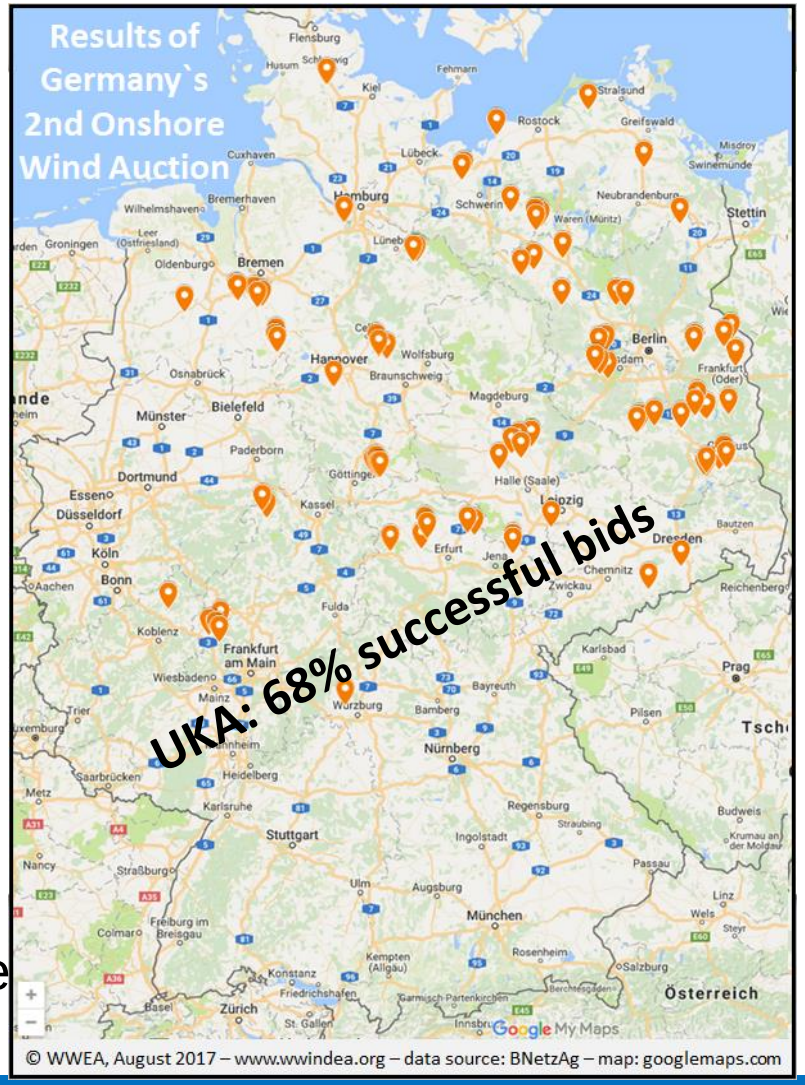
[redacted] Einlage: 100,00 EUR

Entry date: 04.07.2017

Results of Germany’s 2nd onshore wind auction (Aug. 2017)



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D. Community Wind entities [illegible] extended deadline for commissioning by 24 month.

Germany's Renewable Energy Act (EEG 2018)

Auction Results in 2018

Auction date	February	May	August
Tendered quantity (MW)	700	670	670
Quantity of bids (MW)	989	604	667
Thereof community projects	20%	18,8%	
Quantity of accepted bids (MW)	709 (71%)	604 (100%)	667 (100%)
Highest allowed bid (ct/kWh)	6,30	6,30	6,30
Ø- accepted bid (ct/kWh)	4,73	5,73	6,16
Lowest accepted bid (ct/kWh)	3,80	4,65	4,00
Highest accepted bid (ct/kWh)	5,28	6,28	6,30

→ Success rate for community projects was 100% in last two auctions

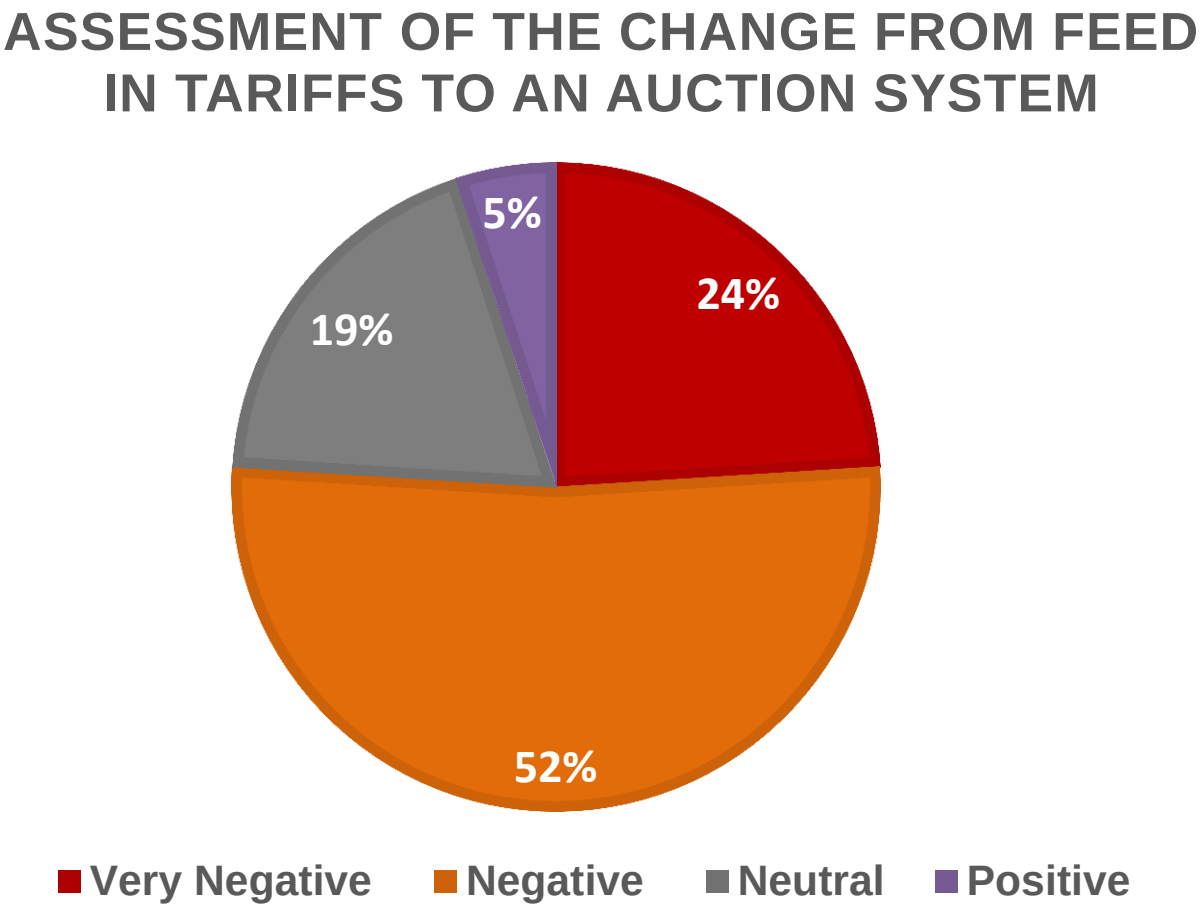
→ 30,6% of successful bids in August were placed by NRW actors

How do Community Wind Actors in NRW perceive the Market Conditions in 2018?

Survey among 21 CEOs and Board Members of Community Wind Entities in NRW (May 2018)

Survey Among NRW Community Wind Entities

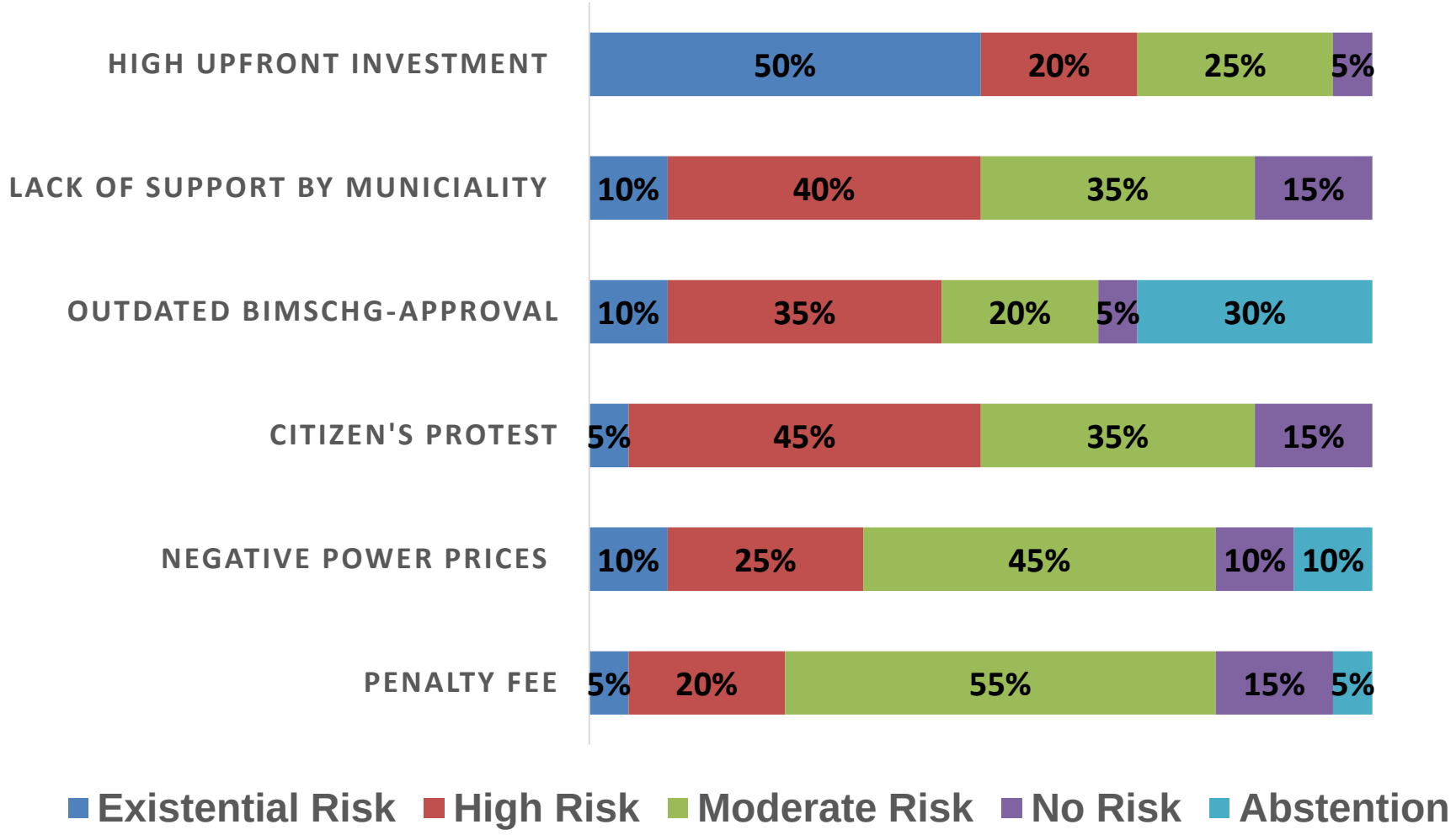
(May 2018; 21 Participants)



→*More than ¾ of participants are dissatisfied with the auction system*

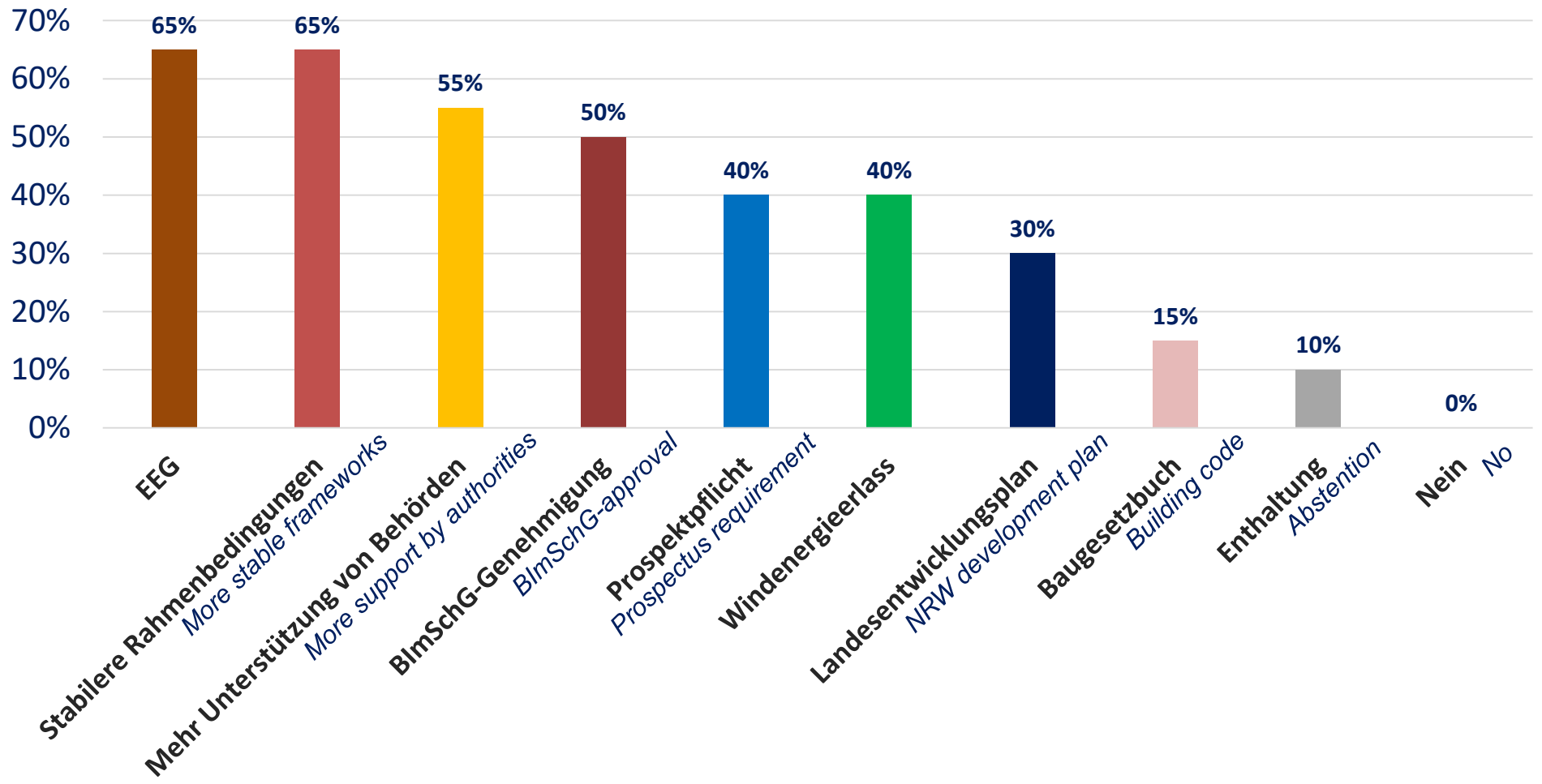
Survey Among NRW Community Wind Actors (May 2018)

ASSESSED RISKS



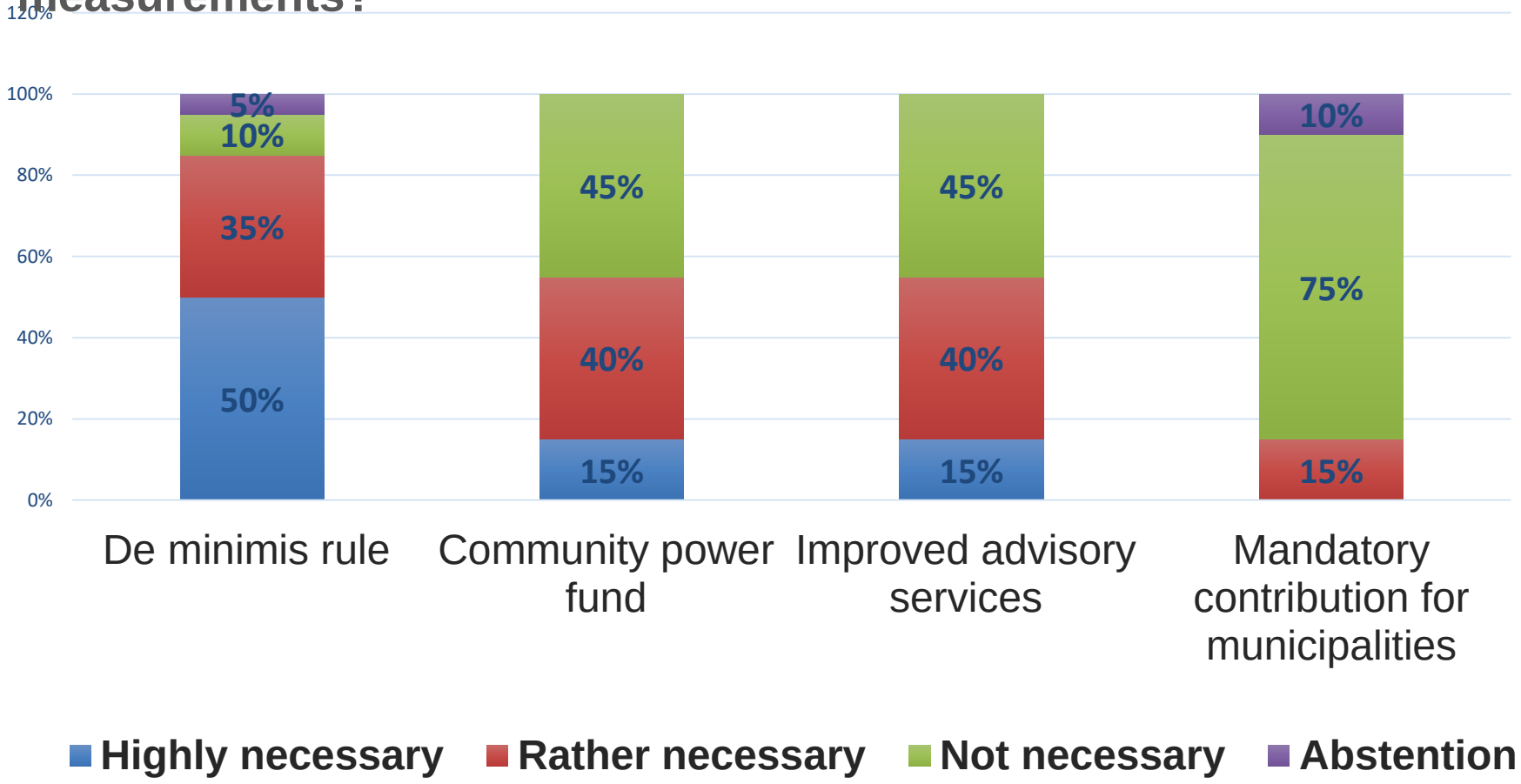
Survey Among NRW Community Wind Actors (May 2018)

Are improved frameworks needed?



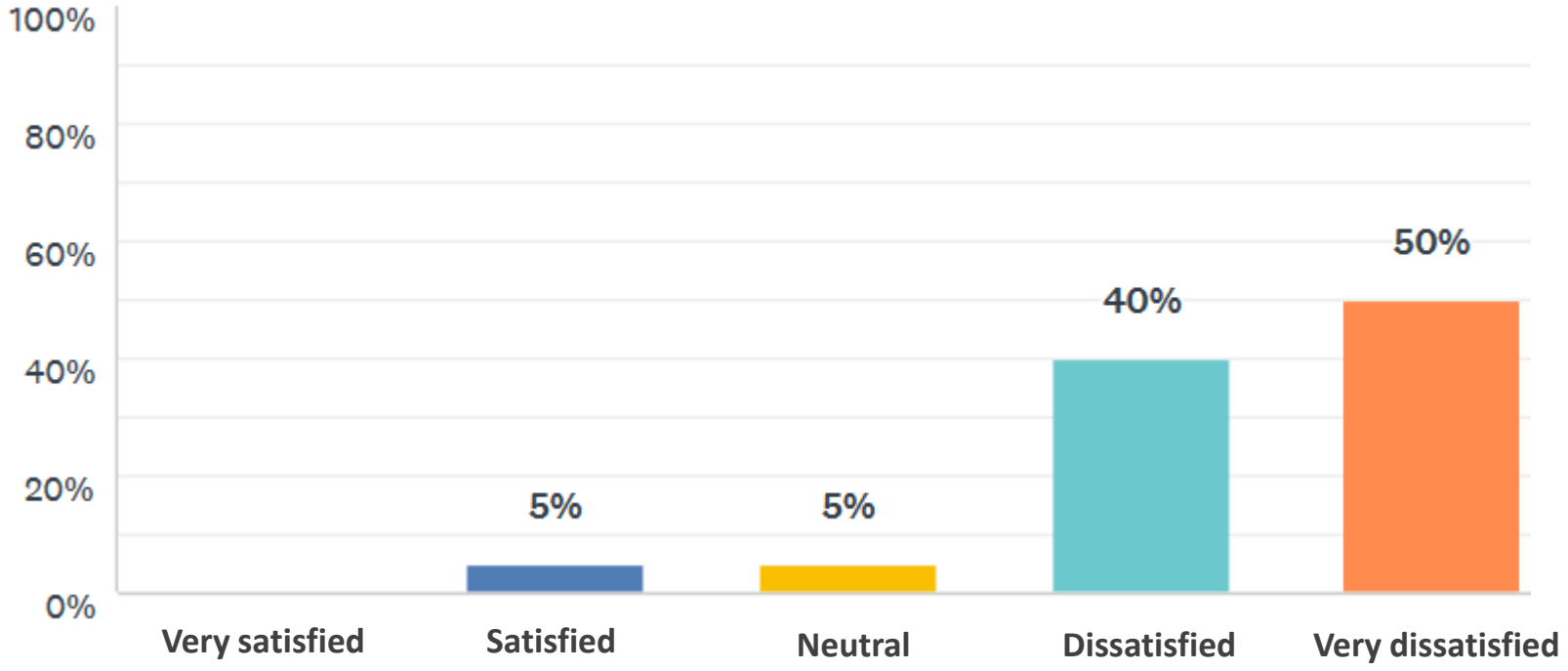
Survey Among NRW Community Wind Actors (May 2018)

How necessary is the implementation of the following measurements?



Survey Among NRW Community Wind Actors (May 2018)

How satisfied are you with the North-Rhine-Westphalian Government when it comes to Wind Energy Policies?



→90% of participants are dissatisfied with the NRW government

Plans of the state government of NRW…

- **Legally secured implementation of a minimum distance rule** for wind turbines of **1.500m** from residential areas
- **Abolition** of the obligatory creation of **wind priority zones** for municipalities
- **Abolition** of a „privileged status" for **wind energy in forests**
- On federal level: **Abolition of a „privileged status"** for wind energy **in the German Building Regulations (BauGB)**

Survey Among NRW Community Wind Actors (May 2018)

Reasons for dissatisfaction with the NRW- and federal government

- Strong political signal for renewables and climate protection is missing
- Atmoshpere of legal uncertainty and constantly changing frameworks
- Prospectus requirements limit citizens engagement
- High planning cost and risks, heavy workload deter community power or push them in cooperation with external investors
- No solution has yet been found for old turbines which drop out of remuneration (EEG) as of 2020

Conclusion

What has worked well?

- Community based organisations are still (partly) successful in auctions
- Special condidtions for community power as clear signal for all that community power is politically intended

What has worked not so well?

- Community power under incresing pressure: increase in requirements, constantly changing legal frameworks
- Increase in market concentration („Cannibalisition of the market“): small players withdraw from the market or do not enter the market any more/ few big players remain

Contact person

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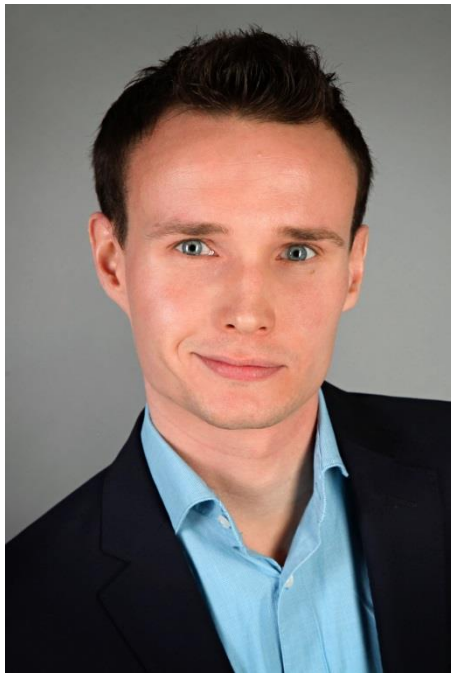
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