

Press release

Installation figures for Germany for 2018

Onshore wind energy - installation figures collapse massively, medium- and long-term perspective must be safeguarded by law immediately

- **The gross increase in onshore wind energy by 2,402 megawatts (MW) and 743 turbines in 2018 is falling short of the already low expectations**
- **Short-term prospects for expansion in 2019 - 2020 remain weak; special tenders give hope for recovery from 2021 onwards**
- **Compromise on coal phase-out reaffirms the requirement to fix medium- and long-term expansion scheme for achieving climate protection targets by 2030**
- **Streamlining permit-procedures and removal of administrative barriers are essential**

Berlin, 29 January 2019 – According to the figures provided by Deutsche WindGuard, the gross expansion of onshore wind turbines in 2018 is virtually collapsing. With only 2,402 megawatts (MW) or 743 turbines, new construction is still falling short of the 2013 level, although the demand for renewable electricity will increase significantly in perspective. The installations correspond to a decline of 55 per cent compared to 2017 and thus are even well below the figures of 3,300 MW estimated by the German Wind Energy Association (BWE) and VDMA Power Systems in mid-2018.

"Today it is more important than ever to quickly define the expansion of renewable energies towards the 2030 target and to adapt the expansion paths. The Stop-and-Go must be stopped. The stable high level of new construction between 2013 and 2017 has sustainably supported the climate protection targets of the Federal Government as well as the expansion targets for renewable energies in the federal states. While a sustained increase in the expansion of renewable energies - justified by the achieved cost reductions and the recently announced decision not to generate electricity from lignite and hard coal - would be logical, there will be a massive decline in 2018 and 2019 instead. This endangers the leading position of the German wind industry in international competition and poses considerable challenges for the industry. Even the fact that Germany remains the largest market for onshore wind energy in Europe cannot hide this fact," comments Matthias Zelinger, Managing Director of VDMA Power Systems, on the figures, adding: "It is self-explanatory that the 65 percent target of the Federal Government cannot be achieved by 2030 if the currently foreseeable annual expansion is continued.

Cause of the dramatic slump

The reason for the low level of new construction is the high proportion of projects awarded without approval, which dominated the tenders in 2017 and have not yet been implemented. In addition, more than 900 MW from the old Renewable Energies Act (EEG) could not be connected to the grid on time - there are three main reasons for this: An authorisation granted no longer creates legal certainty because almost every authorisation is sued. These procedures are taking up more and more time and are therefore delaying implementation. On the other hand, there were projects which, under the impression of the strongly degressive EEG remuneration, went into a process of changed

permissions in order to prepare for participation in new tenders. Furthermore, it was only after the deadline of 28 February 2017 that project developers decided to participate in tenders after the transitional period expired on 31 December 2018.

Bumpy regional extension

In the future, the expansion in the federal states will be fed by the approvals currently issued. Among other things, the Onshore Wind Agency (Fachagentur Wind an Land) has pointed out that the overall number of permits is falling massively and that additional regional distortions are occurring.

"Particularly few permits were issued in Bavaria, Saxony-Anhalt, Saarland and Schleswig-Holstein. In order to meet the increasing demand of the modern energy industry, all federal states must participate in the expansion," Wolfram Axthelm, Managing Director of the German WindEnergy Association, made clear. "To ensure sufficient competition, the backlog of permits in the federal states must be reduced. To achieve this, all parties involved must create the conditions for more permits," Wolfram Axthelm added.

Weak forecast for 2019 - Simplified permits with legal certainty urgently needed

For the year 2019, the associations expect only an increase of just under 2,000 MW. The special tenders laid down in the Omnibus Energy Act are enormously important and give confidence for a recovery from 2021 onwards, but by international standards the German market is losing momentum and importance. Achieving the 65 percent target by 2030 is a great opportunity and requires a clear political will and framework. In order to secure long-term investment in Germany as a business location and to achieve the politically set goal, however, industry needs a reliable medium- and long-term time and quantity structure.

It is essential that the provision that only approved projects can participate in calls for tenders must be made permanent. Furthermore, authorisation procedures should be facilitated and accelerated. This will allow more projects to be approved in order to ensure both stable expansion and competition. The earlier progress can be achieved, the more the international importance of the German market and the leading position of German manufacturers, suppliers and project planners can be maintained.

The Acceptance Working Group of the Coalition should work closely with the federal states and build on the work of the „Platform Approval Situation“ of the Onshore Wind Agency. "The working group should not lose itself in thinking too small but should concentrate on the big lines such as the time and quantity structure until 2030, the area outlines and the streamlining of permits and legal proceedings. Politicians must not lose sight of the fact that the right decision has to be taken on a uniform national regulation of night-time labelling in line with demand. In order to reduce flashing to a minimum in the near future, the legal requirements must be clarified quickly. The Federal Government has a responsibility here. Industry is ready to contribute to the transformation of the energy systems and to improve public acceptance," Wolfram Axthelm made clear.

In order to further support the energy transition, reliable expansion and optimisation of existing grids are required, as envisaged in the Electricity Grids Action Plan. The removal of regulatory hurdles to the advancement of sector coupling is also crucial here.

Development of world markets - Asia as a forerunner

According to the forecast of the Global Wind Energy Council¹, the world's largest increase in wind turbine capacity between 2019 and 2022 is expected in Asia (118 GW), followed by Europe (62 GW) and North America (44 GW). "In order to maintain the export strength of German manufacturers, politicians must be committed to maintain open markets. This also applies to securing export financing," said Matthias Zelinger.

¹ <https://gwec.net/global-figures/market-forecast-2012-2016/>

Figures at a glance

Status of onshore wind energy expansion	Capacity in MW	Number of wind turbines
Gross additions in 2018	2,402	743
Of which repowering	363	111
Dismantling	249	205
Net additions full year 2018	2,154	538
Accumulated WTG portfolio by 31 December 2018	52,931	29,213

About Bundesverband WindEnergie e.V.

BWE, a member of Bundesverband Erneuerbare Energie [German Renewable Energy Federation (BEE)] with more than 20,000 members, represents the entire industry. Members of BWE include the mechanical engineering industry's suppliers and manufacturers, project developers, specialist jurists, the financial sector, companies from the fields of logistics, construction, service/maintenance and storage technology, electricity traders, network operators, and energy suppliers. As a result, BWE is the primary contact for politics and business, science and the media.

About VDMA Power Systems

VDMA Power Systems is a division of the non-profit German Engineering Federation (VDMA). The association represents the interests of manufacturers of wind turbines and hydroelectric plants, fuel cells, gas/steam turbines and plants and engine systems at home and abroad. VDMA Power Systems serves them all as an information and communication platform for all industry issues, such as energy policy, energy policy, legislation, market analyses, trade fairs, standardisation, and press and public relations.

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