

## **”Green electricity a success in Germany”**

**(Montel Powernews) - The feed-in tariff system has been very successful in developing green electricity in Germany, participants said at a green power conference in Berlin on Thursday. However, there was disagreement whether to continue with the present support system.**

“The success of renewable power is undisputed today, which is mainly due to the renewable energy law (EEG),” Rainer Hilrich-Rahlwes, director at the department for central functions at the German Environmental ministry, said on this year’s Green Power Marketing conference. The tariff system has given green power investors a security for a period over 20 years, and its degression system is attracting players to invest as soon as possible in order to benefit as long as possible from the guaranteed reimbursements, he emphasised. “The result of the EEG is that green power has today a share of approximately eleven per cent at Germany’s total power production, with wind power as the dominating source, followed by hydro and biomass power,” he added. **Does green power push up prices?** Regarding the discussion whether green electricity and the present feed-in tariff system was pushing up power prices, Hilrich-Rahlwes said that this was not the case. “The EEG is only contributing with three per cent to the total amount of end user prices, based on an anticipated price of EUR 0.18/kWh. In contrast, production, transportation and marketing of power are accounting for 60 per cent,” he argued. However, this argumentation is leaving out other cost components affecting end user prices, Roger Kohlmann, vice director at the German Electricity Association (VDEW) responded in his presentation. Green power is demanding a balancing market and also investments into the grid. “Therefore, the share of green power at end user prices is higher than three per cent,” he added.

**Changing to green certificates?** Opinions during the presentations and the following panel discussion how to promote green electricity in the future were divided. Hilrich-Rahlwes was favoring the present form of feed-in tariffs. “Fifteen members of the European Union have opted for this system. Out of this group Germany, Spain and Denmark represent the countries with the highest shares in terms of wind power installations, proving the success of the present system,” he argued. However, Kohlmann did not agree. “The present reimbursement system was a door opener for renewable power and indeed, we also notice that the development of green electricity was a success so far,” he said. But by continuing the present system, green power would not become a marketable product in comparison to grey power, he argued. “We are looking for a more efficient system, which would rather come from the introduction of volume based trading system of green certificates,” he said, suggesting a possible concept that would define target quotas for all distribution companies and a penalty for not meeting these targets. (Berlin, 6 October, 2005)