



**Summary of the third meeting of the German Desk of REALISE -FORUM
September 26, 2006**

German Federal Ministry for Environment, Nature Protection and Nuclear Safety

- **Lutz Mez** (FFU) informed about the oncoming final conference in Berlin and shortly explained the so called pentagon of complexity. This simple graphical tool is used by the REALISE-Forum team for the analysis of the RES-policy in the participating countries and for the ongoing comparative survey. This will be used to explain the complexity involved in taking next steps in RES-E in the EU and to map the position of national stakeholders. The tool places RES-E policy within the boundaries of industrial, technology and environmental policy as well as competition policy and security of supply. In order to specify the strategic options into country specific and EU wide policy guidelines, for REALISE-Forum it is important to answer to questions such as:
 - Where is the German position in the table with strategic options with regard to collaboration with other countries in the voluntary green market, acceptance of the Guarantee of Origin, disclosure requirements and the like.
 - What are the pros and cons of the different strategic options for Germany?
 - Where are the German stakeholder positions in the pentagon?

- **Johannes Lackmann** (BEE) gave a presentation on the requirements for a future coordination of the promotion schemes for RES-E in the EU from the point of view of the German stakeholders. He mentioned that the (intra-national) trade of RES-E is not yet a priority objective. A co-ordination would not be necessary until a much higher market penetration of RES-E is reached. Major problems for a higher market participation of RES-E at the moment are mainly related to the lack of grid capacities. A co-ordination of the RES-E support schemes should not be confused with their homogenisation. The main aim of a co-ordination at the moment should be the avoidance of a double promotion (*Doppelförderung*) of RES-E and of inefficiencies in the RES-E promotion schemes. One example is the remuneration of pit gas in Germany. On the one side it is remunerated within the EEG, on the other side, (some) pit gas producers were also endowed with emissions allowances within the German ETS. Some of this allowances (amounting up to 7 €/t/kWh) were offered in the Netherlands. First proofs of abuse have also been detected in the bio energy field.

- **Stefan Zisler** (Vattenfall Europe) – speaking on the same topic – highlighted that in the medium term a harmonised EU wide RES-E promotion scheme is desirable. This should be based on a quota system, as this is seen (by Vattenfall) as the most cost efficient system. Quota systems are not “fast winners”, rather more long term oriented. Additional experience with such systems is still needed. The discussion on harmonisation should be continued in a constructive way. The coordination of systems

should start right now in order to reach harmonisation as soon as possible (taking into account the 7 year transition period as laid down in the European Directive 2001/77/EC). The liberalisation process should be seen as the main driver. **Zisler** also referred to the last year proposal of the German VDEW of an alternative RES-E promotion scheme. This proposal also comprised aspects such as for example regarding the self commercialisation of RES-E by the producers. The German EEG should be further developed in the near future with a main focus on its reliability and stability. In this regard a switch to a quota system which also takes into account regional (framework) conditions and grid capacities is advantageous.

- **Altevogt** (dena) presented the preliminary findings of the EU project PV Policy Group. He highlighted that the EU objectives in the White Book on RES of 1997 for PV (3 GW until 2010) could be reached. Alone in Germany at the end of 2005 already some 1.5 GW PV have been installed (rest of EU-25 only 257 MW at the same time). The tendency to FITs for PV in the EU Member States is very evident at the moment. A European position paper and action plan for PV will be ready in 1/2007.

Discussion:

- **Stefan Zisler** mentioned that for different RES-E technologies also different promotion instruments could be used.
- **Jens Altevogt** pointed out that the discussion on PV in Germany is still based on industrial policy and rarely on environmental policy.
- **Rosaria Di Nucci** (FFU) emphasised that the added value of the RF project is the analysis of the stakeholders views/perceptions on the national/EU RES-E promotion schemes (how strong is the level of cohesion and how have the attitudes of the stakeholders changed during the last year, especially since the Communication of the EC of December 2005?). After a short illustration of the so called pentagon of complexity, the participants were invited to indicate the position of the various stakeholders. Furthermore issues concerning the guarantee of origin (as a common currency for a co-ordinated support system and for the trans-national exchange of RES-E), especially strategic options with regard to collaboration with other countries in the voluntary green market, acceptance of the Guarantee of Origin, disclosure requirements, etc. were briefly discussed.
- **Johannes Lackmann** stressed that the respective RES-E policy of a country always implies structural policy, as the respective RES-E promotion instruments always influence the actors structure.
- **Holger Krawinkel** (VZBV) remarked that at present the guarantee of origin and disclosures issues have not yet been addressed systematically by the Federation of consumers' organisations
- **Sonja Hemke** (BMU) presented the latest developments of the German-Spanish Feed-In-Cooperation and announced the third workshop taking place in Madrid on November 23-24, 2006. She also illustrated the major findings of a study on "Monitoring and evaluation of policy instruments to support RES-E in EU Member States". One of the major findings was that more than 2/3 of the efficiency gains could be achieved simply by strengthening and improving the national RES-E support schemes. Maximal efficiency could theoretically be reached only by a harmonised FIT scheme. But it depends on the proper design of the instrument. Otherwise there may even be losses incurred.

- **Stefan Klinski** (FHS Berlin) presented some preliminary findings of a study on the possibilities and limits of a transferability of the RES-E promotion to the RES heat market. He mainly concluded that a RES-E promotion based of FIT or a bonus model to the RES heat market would be possible in principle, but that the control technical (regeltechnisch) efforts would be high (although not presenting a substantial obstacle). A bonus model at the level of small plants could also be combined with subsidy programmes.
- **Hans-Joachim Ziesing** (DIW) gave a presentation on the interplay of the German FIT scheme (EEG) with other energy policy instruments like the ETS. He first emphasised that RES-E FIT schemes are always technology oriented systems and that the ETS is technology neutral. A certain overlap between the two systems does exist as the ETS aims at reducing CO₂ emissions. Within the ETS, the electricity utilities may decide to switch to RES-E production to fulfil their CO₂ emission reduction commitments. The additional contribution of RES-E to the fulfilment of the national CO₂ emission reductions should be taken into account in the NAPs, i.e. with a special reduction target only for RES-E (for example a 21% reduction target for Germany until 2010 + a 2% extra reduction based on the contribution of RES-E). Ziesing claimed that such proposals are unlikely to be considered until 2010, but the discussion on such issues should be commenced.