

Gabriel: An outstanding success story

Federal Environment Minister presents progress report on Renewable Energy Sources Act

Germany's chosen means of promoting electricity generation from renewable energy sources has proven to be extremely successful. This was revealed by a review of the Renewable Energy Sources Act (EEG). "The EEG has proven a huge success for climate protection, energy supply and jobs. Guided by this act, German manufacturers have achieved a global leading position in this important market segment" said Federal Environment Minister Sigmar Gabriel at today's presentation of the first progress report on the Renewable Energy Sources Act. On the macroeconomic scale, he stated, the benefits from the EEG already outweigh its costs. Minister Gabriel added that the EEG has proven to be a valuable support instrument and that its structure will be maintained. However, the progress report also shows that the structure of support for some of the sectors needs to be adapted to increase efficiency and provide further incentives for innovation. This applies, for example, to offshore wind energy.

According to the EEG, grid operators have to pay fees for electricity from renewable energy sources. The difference between fees and the market price for electricity from traditional sources is apportioned to consumers via their electricity bills as EEG apportionment. The different types of renewable energy sources receive different fees based on the cost of electricity generation. The progress report states that in some sectors it is necessary to adapt the amount of fees.

Minister Gabriel pointed out that the 2010 target for increasing the use of renewable energies was already met in the middle of 2007: "We can and must raise the bar for the 2020 target. The share of renewable energies in total electricity consumption should increase to at least 20%. This is the only way in which we can make a significant contribution to reaching the ambitious EU target agreed upon in March during the German EU Presidency." By 2030 the share should have risen to at least 45%. So far, the EEG lays down that the share has to increase to 12.5% by 2010 and to at least 20% by 2020. In 2006 the share of renewable energies in total electricity consumption was 12%.

The EEG's success is obvious: in 2006 45 million tonnes of carbon dioxide (CO₂) were saved because of the EEG alone. That means 8 million tonnes more than in 2005. These figures show that the EEG significantly contributes to climate protection. The use of renewable energy sources prevented total emissions of more than 100 million tonnes of CO₂ in 2006. The EEG furthermore helps to generate jobs: about 125,000 of the approximately 214,000 jobs in the renewable energy sector were created through EEG regulations. Renewable energies are also a considerable investment factor and have become important for export. Nine billion euro were invested in EEG installations in Germany in 2006. More than 70% of the wind power plants produced in Germany were exported and the prospects of the photovoltaic sector developing in a similar way are promising.

Electricity from renewable energy sources expands the range of offers on the electricity market and thus causes prices to fall. Wholesale prices for electricity declined by about 5 billion euro in 2006. In addition, imports of fuels (0.9 billion euro) and adverse impacts on the environment and the climate (about 3.4 billion euro) are avoided. The economic benefit of the

EEG therefore added up to approximately 9 billion euro. On the macroeconomic scale the benefits from the EEG therefore already clearly outweigh its costs. Furthermore, the share of renewable energies and the corresponding CO2 savings are increasing while wholesale electricity prices are falling by a faster rate than the EEG apportionment.

The EEG progress report will now be reviewed in cooperation with other ministries and has to be submitted to the Bundestag by late 2007. The progress report will form the basis for an amendment to the act in 2008. The Federal Environment Ministry will present the draft amendment of the EEG this autumn.

Weitere Informationen:

[Progress Report 2007](#): Renewable Energy Sources Act (EEG)

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