Press release

EEG surcharge for 2016: 6.354 cents per kilowatt-hour

Transmission system operators 50Hertz, Amprion, TenneT and TransnetBW announce EEG surcharge for 2016 as well as medium term forecast for RES feed-in and end consumption from 2016 to 2020.

15 October 2015 Bayreuth, Berlin, Dortmund, Stuttgart. On 15 October, the four German transmission system operators published the forecast for expected feed-in from renewable generating units in 2016 as per the Renewable Energy Sources Act (EEG) as well as the resulting EEG surcharge for 2016. The medium term forecast for RES (RES outlook) was also presented. This outlook describes the probable evolution of feed-in from renewable generation units under the EEG for the following five years. In accordance with the legal requirements, forecast data on installed capacity, annual electricity input, financial support to be paid to plant operators and end consumer sales are published, along with other information.

The EEG surcharge:
The transmission system operators determined the surcharge on the basis of forecasts by independent experts as requested by the legislator. The result for 2016 is a surcharge total of approximately 22.88 billion euros (mostly remunerations for plant operators less the equivalent from stock exchange profits, taking into account the actual EEG balance and the liquidity reserve).

EEG surcharge increases by 3.0 per cent
The EEG surcharge has to be paid by all final consumers for each kilowatt-hour they procure. This means that the consumers will contribute 6.354 cents per kilowatt-hour to support renewable energy sources in the electricity industry in 2016. This translates to a 3.0 per cent increase in EEG surcharges for 2016 compared to last year (2015 EEG surcharge: 6.170 cents per kilowatt-hour).

Detailed calculation
The forecast for 2016 indicates a further increase in generation of electricity by RES installations. The increase of more than 15 terawatt-hours (from approx. 161 terawatt-hours (TWh) in 2015 to about 176 TWh in 2016) is mainly reflected in such energy sources as onshore wind, offshore wind and biomass. Excluding the expected stock exchange profits, which are 14 % lower than last year, mainly due to the lower price on the energy spot market, the predicted costs for the year 2016 (mostly remunerations to plant operators less the equivalent from stock exchange profits) amount to approximately 23.1 billion euros, which corresponds to a share in the 2016 EEG surcharge of about 6.4 cents per kilowatt-hour.

Continued on page 2

Approximately 2.6 cents per kilowatt-hour of this amount are for photovoltaics, approximately 1.7 cents per kilowatt-hour for biomass and approximately 2.0 cents per kilowatt-hour for wind (onshore and offshore).

Furthermore, for the final surcharge calculation, the current EEG account balance and the so-called liquidity reserve have to be taken into account. On 30 September 2015, the EEG account had a positive balance of about 2.5 billion euros (30 September 2014: almost 1.4 billion euros). From a purely mathematical perspective, the positive provision of the EEG account for 2015 decreases the EEG surcharge for 2016 with about 0.7 cents per kilowatt-hour.

The liquidity reserve buffers fluctuations on the EEG account as well as the effects these have on the surcharge. These fluctuations occur because there are natural deviations between the forecast and the actual feed-in from renewable energy sources. Because of this, tariffs are difficult to calculate. Exceptionally sunny years, for instance, lead to a higher tariff for electricity from solar power stations than would be expected on average. These deviations will only increase with the continued development of renewable energy. For 2016, the liquidity reserve is stable at ten per cent. Its share in the EEG surcharge amounts to about 0.6 cents per kilowatt-hour (approx. 2.3 billion euros).

The EEG surcharge was determined in coordination with the Federal Network Agency (Bundesnetzagentur - BNetzA), which has the legal mandate to monitor the determination, definition, publication and distribution of the EEG surcharge and the marketing of EEG electricity volumes, as well as to regulate the marketing requirements.

The medium term forecast:

For the year 2020, an installed capacity of almost 117 gigawatts (GW) is expected from renewable energy sources, of which approx. 92 % will be solar and wind power (over 47 GW of solar and over 60 GW of wind power). The predicted annual output for 2020 is over 217 TWh. In this context, it is assumed that in 2020, almost a quarter of all electricity generated from renewable energy sources (almost 51 TWh) will be subject to the fixed feed-in tariff in accordance with §§ 37-38 of the EEG. About 12.2 billion EUR in feed-in tariffs will therefore have to be paid to the operators of the generating installations. In addition, a projected output of over 162 TWh from installations in the subsidised direct marketing sector as well as the premium payments of approx. 17.4 billion euros due for these generated volumes are expected. On top of that, about 0.3 TWh are expected for other forms of direct marketing, as well as about 3.9 TWh of solar power generated for proper consumption by the plant operators.

The values necessary for the calculation of the EEG medium-term forecast and of the end consumption subject to the surcharge were determined by independent experts on behalf of the four German transmission system operators.

Further information (in German) can be found on www.netztransparenz.de.

Continued on page 3

More information:

50Hertz Transmission GmbH
Volker Kamm, T +49 30 5150 3417, M +49 172 3232759, volker.kamm@50hertz.com

Amprion GmbH
Thomas Wiede, T +49 231 5849-13679, M +49 162 1938047, thomas.wiede@amprion.net

TenneT TSO GmbH
Ulrike Hörchens, T +49 921 50740 4045, M +49 151 17131120, ulrike.hoerchens@tennet.eu

TransnetBW GmbH
Regina König, T +49 711 21858 3155, M +49 173 6507067, r.koenig@transnetbw.de