Press release

Offshore wind energy in Germany: growth figures for the first half of 2017

Offshore wind energy: Two new offshore wind farms come online - Capacity expansion is essential

- **108 offshore wind turbines with a combined capacity of 626 megawatts (MW) were brought online by 30 June 2017**
- **Sandbank and Veja Mate, offshore wind farm projects in the North Sea, were completed on schedule, and expansion is progressing steadily**
- **Results from round one of the offshore auction reached a milestone, demonstrating high investor confidence in offshore industry innovation and cost-cutting plans**
- **Politicians are urged to seise opportunities that could have a positive impact on industrial policy and the energy industry. This would require raising minimum offshore capacity targets to 20GW by 2030 and 30GW by 2035**
- **Annual offshore wind energy production: 2015: 8,285GWh, 2016: 12,365GWh, First half of 2017: 8,480GWh[1] (already roughly 70% of last year's total output)**

Berlin, 20 July 2017 - In the first half of 2017, 108 offshore wind turbines with a combined capacity of 626MW fed power into Germany's national grid for the first time. Therefore as of 30 June 2017 a total of 1,055 offshore wind turbines with a total capacity to 4,749MW are on the grid. These are encouraging half-year figures, according to Arbeitsgemeinschaft Offshore-Windenergie (AGOW), Bundesverband WindEnergie (BWE), Stiftung OFFSHORE-WINDENERGIE, VDMA Power Systems and WAB e.V. The industry expects a total increase of approximately 900MW for 2017 as a whole. In the first half of 2017, offshore wind energy produced 8,480GWh of electricity, already roughly 70% of last year's total output.

Seise potential cost reductions - in Germany and Europe

The tendering results in Germany underscore the potential for innovative advancements and cost reductions in the offshore wind industry. For the first time, renewable energy projects were proposed that are expected to operate without EEG subsidies by the mid-2020s and can be refinanced through the electricity market. Electricity production costs have fallen considerably due to new, reliable, more powerful turbines with larger rotor diameters, a general increase in the scale of wind farm projects, innovations in foundation structures, better operating and maintenance programmes and more favourable financing conditions.

[1] Sources: ZSW, BDEW Last updated February 2017 (2016 figures: preliminary!), BEE

As a result of this paradigm shift, the next federal government will have new opportunities to exploit the potential benefits of offshore wind energy for industrial policy and the energy sector, specifically by raising minimum capacity targets to 20GW by 2030 and 30GW by 2035. The political and technological conditions to promote the necessary grid expansion still exist. Capping offshore wind energy expansion at 15GW (old target: 25GW) under the EEG 2014 is primarily intended to reduce the costs of the energy transition.

At European level, the offshore industry issued in June 2017 a 'Joint Statement' calling for more ambitious expansion by 2030. The statement reaffirmed the industry's commitment to boost Europe's offshore wind capacity by 6GW each year until 2030. An annual expansion of at least 4GW would be required to cut costs. In the statement, Belgian, Danish and German government representatives acknowledged the cost reductions that have already been achieved and advocated a significant expansion by 2030. They also announced their intention to improve conditions for European investment in offshore projects, networks and infrastructure.

Strengthen Germany's position as a technology leader

The federal government's current expansion targets, which call for annual capacity increases of 500 - 840MW during the 2020s, would slow the growth of the offshore wind industry in Germany. A strong domestic market, stable policy framework and significant expansion are necessary if the German offshore wind industry is to maintain its technological leadership and exploit economies of scale to reduce costs. The industry, which currently employs 20,000 people, can create new jobs only if German companies continue to participate in the international expansion of offshore wind energy and compete successfully in export markets. In the short term, additional facilities must be provided for testing prototypes and innovative components in offshore projects in German waters. Regulations must be adapted to support these new developments. Only by investing in research and development and aggressively expanding its market volume can Germany strengthen its position as a technology leader.

Grid expansion and sector coupling: achieving a successful energy transition

The success of the German energy transition depends, besides an increased usage of renewable energies, on expansion of the grid system and promotion of sector coupling. This means a completely transformation of our entire energy system by establishing rapidly new grid infrastructure and reducing carbon-intensive fossil fuels in the heating and mobility sectors

Various technological approaches should be implemented to temporarily or permanently overcome bottlenecks in the land grid. These should include measures to improve network utilisation. In addition, the necessary must-run capacities should be reviewed. An increase in transparency and the introduction of greater competition in offshore grid connections (for example, through cost-cutting tenders) should also be considered. The companies in the offshore wind industry are eager to take an active role -- alongside all political, economic and community stakeholders -- in shaping this process.

Figures at a glance: first half of 2017

Growth in first half of 2017	Offshore wind turbines (OWT) with grid connection	626.2MW
Cumulative production through 30 June 2017	OWT with grid connection	4,748.9MW
	Installed OWT without grid connection	295.8MW

About the annual statistics reported in the 'Status of Offshore Wind Energy in Germany'
Since 2012, Deutsche WindGuard has compiled growth statistics for offshore wind energy separately from those for onshore wind energy. It conducts an analysis on behalf of VDMA Power Systems, Bundesverband WindEnergie BWE, Stiftung OFFSHORE-WINDENERGIE, Windenergie Agentur WAB and Arbeitsgemeinschaft Offshore-Windenergie (AGOW).

About Arbeitsgemeinschaft Offshore-Windenergie e.V.

The members of AGOW build and operate offshore wind farms in the North and Baltic Seas. In AGOW, these members join forces to provide power and expertise for a successful energy transition in Germany and Europe. AGOW currently represents 16 companies that build and operate offshore wind farms.

About Bundesverband Windenergie e.V.
BWE, a member of Bundsverband 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 Stiftung OFFSHORE-WINDENERGIE
The German Offshore Wind Energy Foundation (Stiftung der deutschen Wirtschaft zur Nutzung und Erforschung der Windenergie auf See) was founded in 2005 on the initiative of the Federal Ministry of the Environment, Nature Conservation and Nuclear Safety (BMU). The foundation’s objective is to ensure the integration of offshore wind energy in the future energy mix of Germany and Europe and to promote its expansion in the interest of environmental and climate protection.

About VDMA Power Systems
VDMA Power Systems is a specialist association of the Verband Deutscher Maschinen- und Anlagenbau VDMA e.V. . It represents the interests of wind and hydroelectric turbines, fuel cells, gas/steam turbines and power plants, and engine systems. VDMA Power Systems serves as an information and communications platform for all topics relevant to the industries, including energy policy, legislation, market analysis, trade fairs, standardisation, certification, and press and public relations.

About WAB e.V.
WAB e.V (Wind Energy Agency) is the leading business network of the wind energy industry in Northwest Germany and is a nationwide contact for the German offshore wind energy sector. The association represents more than 350 companies and institutes from all sectors of the wind and maritime industries and research.

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