



Press Release

Efficient Offshore Wind Expansion Requires Contracts for Difference and Long-term Expansion Targets

Bremerhaven/Berlin, 14 May 2020. In a joint letter to political decision-makers, the members of the offshore wind energy associations BWO and WAB advocate a long-term reliable investment and financing framework for offshore wind projects in Germany. This would require, on the one hand, the introduction of contracts for difference (CfD) and, on the other hand, a dialogue on a long-term expansion target until 2035.

In their joint letter, sent to the Federal Ministry of Economics and Energy, among others, the industry representatives emphasize the willingness of the offshore wind industry to take responsibility for the rapid recovery and reconstruction of the German economy after the Corona crisis, in the spirit of the European Green Deal.

"Only if the 20 GW offshore wind by 2030 target is finally anchored in law, we will have a realistic chance of achieving our climate targets at all", says BWO managing director Stefan Thimm. "Our member companies and the authorities involved urgently need planning and financing security. Electricity from offshore wind energy is now more cost-effective than almost any other technology, and the introduction of Contracts for Difference will make it possible to reduce electricity generation costs by another 30 percent compared to refinancing via Power Purchase Agreements (PPAs). "Stable investment conditions based on Contracts for Difference would not only strengthen the domestic small and medium-sized businesses, but also relieve the burden on the consumer and thus strengthen the international competitiveness of electricity prices," said Thimm.

In addition, the focus now needs to be directed beyond 2030. The two associations ask for long-term expansion targets up to at least 2035 and the development of a domestic market for "green" hydrogen from offshore wind.

"For electricity production costs to continue to fall, long-term planning and a complete supply chain are needed - this creates jobs and enables the cost-effective expansion of offshore wind," said WAB Managing Director Heike Winkler. "Maintaining and expanding our complete innovative supply chain is therefore in our national economic interest - as well as in the business interests of larger industry players and small and medium-sized businesses in Germany," Winkler added.

In order to enable a progressive and competitive start after the crisis, the first offshore wind projects should be put out to tender at short notice. In the medium term, two gigawatts of added capacity per year are realistic. This should be considered in the Wind Energy at Sea Act (WindSeeG).

"Due to the expansion gap that has already arisen and the jobs that have been lost as a result, as well as generally longer planning cycles, we need immediate targets for the period after 2030 – in line with the 'Bremen Declaration'," said Heike Winkler. "This applies to the generation of electricity and 'green' hydrogen," said the WAB Managing Director. The industry is offering an open dialogue on how 35 GW are technically feasible and economically viable by 2035 and how offshore wind expansion can be used to create a domestic generation market for 'green' hydrogen.



We need this domestic market along with suitable framework conditions for research and development to efficiently tap the potential for sector coupling. We also offer an open dialogue on import and export perspectives for "green" hydrogen.

Picture: © Trianel Windpark Borkum II

About WAB e.V.:

Bremerhaven-based WAB is the nationwide contact partner for the offshore wind industry in Germany and the leading business network for onshore wind energy in the north-west region. The association fosters the production of "green" hydrogen from wind energy. It comprises some 250 smaller and larger businesses as well as institutes from all sectors of the wind industry, the maritime industry as well as research. www.wab.net

WAB e.V. organises the international WINDFORCE Conference in Bremerhaven, this year postponed to 3 and 4 September. The WINDFORCE Conference has become the central meeting place for the offshore wind industry in Germany during its 15-year history. The WINDFORCE Dinner will offer participants the opportunity to enjoy the company of existing and new business partners in a pleasant atmosphere.

About the Association of German Wind Farm Operators (BWO):

The Association of German Offshore Wind Farm Operators (BWO) is the national organisation for all businesses that develop, construct and operate wind farms in Germany. This allows us to combine forces to achieve a successful energy transition in Germany and Europe.

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