

SPEEDLETTER

Bonn, July 1, 2011

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EEG amendment agreed: German Bundestag concludes on the phasing out of nuclear energy by 2022. Solar funding will be changed as planned and own consumption restricted.

All nuclear power plants are to be shut down by 2022, according to a decision made by the German Bundestag. Moreover, further amendments to German energy policies were also discussed. Volume based degression and the restricted regulation of own consumption will continue to play a role in photovoltaics incentive schemes – despite objections raised by the opposition. The latest amendment will come into effect on January 1st, 2012.

Bonn/ Berlin. In a historic decision which fell yesterday afternoon, the German Bundestag determined the final exit from nuclear energy in Germany. All nuclear power plants are to be switched off step by step by 2022. Only one nuclear power plant should remain in reserve. In addition to this decision, in a heated and intense debate further changes in laws were decided on to drive Germany toward a new energy era. Among other things, an amendment of the German Renewable Energies law, Erneuerbare-Energien-Gesetz (EEG), was also agreed on that will come into effect on January 1st, 2012. Despite massive objections raised by opposition parties, the framework for photovoltaics funding was not, in comparison to the cabinets decision, changed fundamentally. The EEG amendment will be subject to negotiation in the Federal Council but it is not likely that changes will be made.

Most important points of EEG amendment for photovoltaic funding

A limitation of capacities, as required by parts of the German political party CDU, will not come into effect. The breathing cap and the semiannual adjustment of degression will remain. From the beginning of 2012, feed-in-tariffs will be reduced by nine percent, as planned, subject to total installed capacities of the previous year up to September 30. Should registered plants exceed 3.5 GW by then, a further three percentage point reduction will be made. With every further GW, a reduction in steps of three percent steps up to a limit of 7.5 GW will come into effect. The maximum degression is 15 percent at 7.5 GW total installed capacity. The aim of the reduction in tariffs is the adaption of feed-in-tariffs to the advances made in technology and manufacturing.

If additional capacity is under 2.5 GW, a downward adjustment of 2.5 percent for every 0.5 GW downward will be made. A newly introduced adjustment for promotion to midyear, if the growth corridor is exceeded, will also remain. That should have come into effect for the first time on July 1st, 2011. However, this did not ensue as installed capacities were below expectations at the beginning of 2011. The assessment period will change for future calculations from three to seven months. Calculations are based on the months from October of the previous year until April of the current year.

The regulations for own consumption that should have ended by 2011, will be extended to two years but restricted for plants with a size of up to 100 kWp. In addition, plants with an output of 30 to 100 kWp, which were built since 2009, have to be retrofitted with a technical installation for the remote-controlled reduction of the feed-in power by January 1st, 2014, according to §6, paragraph 1. Operators of smaller plants have the choice to limit their feed-in power at 70 percent or to be included in the simplified feed-in management. For profit lost, compensation payments should be made.

If you have further questions on the EEG or photovoltaics markets, please contact our press department.

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