



Federal Ministry
for Economic Affairs
and Energy

Renewables Cross-Borders-Auction between Denmark and Germany

Danish Meets German Energy Transition
26 May 2016

Background and Goals

- State aid decision of 2014 -> Ensuring EU-compatibility of Germany EEG
- Regional integration of the Energiewende
- Creating a “win-win-situation”
- Opening should be voluntary and limited

The EEG 2014 Sets out Three Preconditions

- Germany and the partner country must conclude a cooperation agreement
- Principle of reciprocity
- Electricity market effect or ‘physical’ import

Process

- First of its kind
- Intensive exchange between German and Danish ministries, agencies, regulators and TSOs

Mutually-Opened-Auctions

- Each country carries out its own auction and opens for bid from the partner country
- Each country is free to design the auction itself
-> Auction design
- Local investment conditions (e.g. taxes and levies) are not aligned

Joint Auction

- Joint auction procedure
- Joint bidding
- Allows for joint auction without the need for a new joint financing mechanism by “piecing together support schemes”



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Selected Design Elements

Prequalification

- Rules in German PV-auction have to be adapted
- Solution: No material prequalification but higher financial prequalification

Market Premium

- Fixed market premium in Danish auction
- Sliding market premium in German auction

Site Restrictions for RES

- Strict rules in Germany where PV-plants can be build
- Less strict rules in Denmark
- Different rules in different countries should be accepted
- Each country decides for itself

Target Accounting of Cross-Border Installations

- Accounting to national renewables targets (as defined in EU Directive 2009/28/EC).
- The principle holds:
The renewable energy generated is counted towards the target of the country that funds the installation.

Signing of Agreement in Summer 2016



Agreement

between

THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY

and

THE GOVERNMENT OF THE KINGDOM OF DENMARK



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Pilot Opening Auction For Ground-Mounted PV To Bidders From Other EU Member States

Concept-Note



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Thank you!