Cost to consumers

IRENA Workshop on Social Acceptance of Renewable Energy

Abu Dhabi, October 8th, 2013

Jörg Mühlenhoff, German Renewable Energies Agency
Cost distribution within the German FIT

- Feed-in tariff or market premium
- Grid system operator
- Transmission system operators
  - Sale of renewable electricity at the energy exchange
  - Loss is compensated via an extra charge on every kWh sold (= EEG-surcharge)
- Electricity Supplier
  - Private
  - Commercial
Cost distribution within the German FIT

How much surcharge for RE?
Paradox: While RE are getting cheaper, the RE surcharge is rising.

Electricity prices in Germany
Paradox: While RE are getting cheaper, the RE surcharge is rising.
Why the surcharge reached 5.3 ct/kWh

- The energy intensive industry pays no surcharge.
  > Other consumers have to pay more.

- Merit order effect: RE extremely lower EEX prices.
  > The differential cost to be covered by consumers rises, but consumers don’t profit from lower EEX prices.

*including 2012 clawback
Consequences for social acceptance

- RE are blamed for high energy costs in Germany in general
- People are willing to pay for RE, but feel deceived

Survey: If the RE surcharge reaches 5.3 ct/kWh, the amount is...

- too low: 2%
- adequate: 44%
- too high: 51%
- n/a: 2%
Consequences for social acceptance

- Macro-economic benefits of RE are evident:
  - New markets for German industry
  - Reducing costs of fossil fuel imports
  - Reducing external costs of fossil fuels

But what about social acceptance, if private households do not benefit individually?
Contact
Jörg Mühlenhoff
German Renewable Energies Agency
Agentur für Erneuerbare Energien (AEE)
Reinhardtstr. 18
10117 Berlin
Tel. +49 30 200 535.46
j.muehlenhoff@unendlich-viel-energie.de

www.renewables-in-germany.com
Backup
Local value Creation through RE

more than 16 billion Euro / year