

Renewable Energies Act (REA)
(key elements)

Act to promote
renewable energies

Renewable Energies Act (REA)

Art. 1 Objective of the Act

To at least double the proportion of renewable energies by the year 2010 for reasons of climate and environmental protection.

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Art. 2 Scope

- Wind power
- Solar energy
(upwards of 100 kW, only on structural works)
- Geothermal energy
- Hydropower up to 5 MW
- Landfill gas up to 5 MW
- Biogas up to 5 MW
- Pit gas up to 5 MW
- Biomass up to 20 MW
(over 5 MW, only after BMU (German Federal Environment Ministry) Ordinance has been issued)

Utility company facilities are also to be reimbursed.

Existing facilities are to be reimbursed like new facilities (special regulation for wind power)

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Art. 3 Mandatory acceptance and reimbursement

The mandatory acceptance and reimbursement requirement applies to the network operators.

Art. 4 Reimbursement for electricity from biogas, landfill gas, pit gas, hydropower

Facilities up to 500 kW: 15 Pf/kWh

Facilities from 500 kW to 5 MW: 13 Pf/kWh
(for the electricity equivalent to the proportion up to 500 kW: 15 Pf/kWh)

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Art. 5 Reimbursement for electricity from biomass

Up to 500 kW: 20 Pf/kWh

500 kW to 5 MW: 18 Pf/kWh

5 MW to 20 MW: 17 Pf/kWh
(only after BMU Ordinance goes into effect)

Degression: 1% per year as of 1.1.2002

Art. 6 Reimbursement for geothermal power

Up to 20 MW: 17.5 Pf/kWh

Over 20 MW: 14 Pf/kWh

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Art. 7 Reimbursement for electricity from wind power

17.8 Pf/kWh, reduced to 12.1 Pf/kWh

Full rate for at least 5 years,
profit-dependent rate thereafter,
until 150% of the reference facility has been
reached

Offshore: Higher reimbursement for 9 years
(for facilities built by 2006)

Special regulation for existing facilities

Degression: 1.5% per year as of 1.1.2002

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Art. 8 Reimbursement for solar power

For existing and new facilities: 99 Pf/kWh

Reduction of the reimbursement by 5% for new facilities as of 2002 and by another 5% each subsequent year

Limit of 350 MW, with the obligation to elaborate a follow-up regulation.

Art. 9 General regulations

Reimbursement period: 20 years
(hydropower: unlimited)

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Art. 10 Network costs

Facility operator to bear connection costs.

Network operator to bear network expansion costs.

Disputes to be settled by a clearing agency.

Art. 11 Nationwide equalisation regulation

Transmission network operators are to equalise the accepted electricity and the costs among themselves.

All power suppliers must purchase nationally uniform quotas of this electric power from the transmission network operators.

(Exception: renewable energy dealers)

Art. 12 Mandatory reporting (every 2 years)