

By PwC Deutschland | 21 December 2022

# EU Commission approves German schemes to support electricity production from renewable energy sources and offshore wind energy generation

**Today, the EU Commission approved, under State aid rules, German measures to support electricity production from renewable energy sources through amendments to the Renewable Energy Act and a scheme to support offshore wind energy generation by amendments to the German Offshore Wind Energy Act.**

## **1. Commission approves modification of German scheme to support electricity production from renewable energy sources**

The European Commission has approved, under EU State aid rules, the modification of a German scheme to support the production of electricity from renewable energy sources. The scheme reflects a recent amendment by Germany to its Renewable Energy Act ("Erneuerbare Energien Gesetz" – 'EEG 2023') and will further contribute to achieving Germany's energy and environmental targets and the EU's strategic objectives relating to the European Green Deal.

### **The German measure**

The EEG 2023 support scheme, with an overall budget of €28 billion, aims at achieving a share of 80% of electricity produced from renewable energy sources by 2030, with a view to achieving climate neutrality by 2045. Under the scheme, the aid will generally take the form of a market premium paid by the network operator to the producer on top of the market price for the electricity. However, in the case of very small installations, the aid will take the form of feed-in tariffs. Beneficiaries will be selected through competitive, transparent, and non-discriminatory bidding processes.

### ***The EEG 2023 scheme introduces new elements and amends the previous scheme as follows:***

- Tender procedures are modified to make them more competitive, further limit the risk of overcompensation and keep costs to a minimum for consumers and taxpayers.
- A new transitory solution is introduced to address Germany's continued grid congestion issues.
- Complete phase out as of 1 January 2027 of the support for renewable electricity production at times of negative prices to prevent overcompensating producers.

More on the Commission's assessment to be found in the [\*\*press release of 21 December 2022\*\*](#).

## **2. Commission approves amendments to German scheme to support offshore wind energy generation**

The European Commission has approved, under EU State aid rules, amendments to a German scheme to support offshore wind energy generation in Germany (German Offshore Wind Energy Act - 'WindSeeG'). The scheme complements the German Renewable Energy Act (Erneuerbare Energien Gesetz – 'EEG 2023') and will further contribute to achieving Germany's energy and environmental targets.

### **The German scheme**

Germany notified to the Commission its intention to amend the existing WindSeeG scheme to further develop offshore wind energy generation in Germany. The original scheme was approved by the Commission on 23 July 2014 and was prolonged and amended several times, lastly in 2021, under the 2014

Guidelines on State aid for climate, environmental protection, and energy.

***Germany notified the following amendments to the scheme:***

- An increase of expansion targets for installed capacity of offshore wind energy installations
- A new tender procedure for a different type of sites in the German Exclusive Economic Zone ('EEZ') allowing offshore wind electricity producers to bid for sites that have not been centrally pre-investigated by the German government.
- A dynamic bidding procedure for tenders for non-centrally pre-investigated sites, which will allow Germany to differentiate and select between multiple bids with a bid value of zero.

The non-confidential version of today's decision will be made available under the case number SA.103069 in the State Aid Register on the Commission's competition website once any confidentiality issues have been resolved.

***Further information on the measure*** and the Commission's assessment to be found [here](#).

**Keywords**

electricity, energy tax, renewable energy