

Press Release

No expansion of offshore wind energy in the first half of 2021 - retain skilled workers and enable even capacity utilisation now

Berlin/Bremerhaven/Frankfurt, 15 July 2021 – For the first time in more than ten years, there will be no expansion of offshore wind energy in Germany this year. This expansion gap is not the expression of a lack of interest on the part of investors or a lack of strength on the part of the industry, but a consequence of political decisions, the effects of which are now becoming visible for the offshore wind industry in Germany. This development can only be counteracted by raising the expansion targets for offshore wind energy, retaining skilled workers, and concretising expansion plans for green hydrogen.

"The offshore industry has met the expansion target for 2020 as expected and has long since become a pillar of the energy transition. Offshore wind energy is reliable and competitive. It is an important economic driver and will continue to play a key role in achieving Germany's recently increased climate targets. However, some market participants have either already left the offshore wind industry entirely or have relocated to other countries. This circumstance can be attributed to increasing international competition as well as a lack of prospects for offshore wind construction activities within Germany this year. German politics can no longer stand by and watch such a development. A swift industrial policy impulse is needed," the industry organisations BWE, BWO, the German Foundation OFFSHORE WIND ENERGY, VDMA Power Systems, and WAB comment on the situation of the industry.

"In order to maintain the technological leadership of Germany as a wind industry location and to ensure domestic value creation and employment in the future, the expansion must be reignited and stabilised. Towards the second half of this decade, the German offshore wind industry expects an increasingly strong expansion. It is imperative to counteract this resulting imbalance in time. The acceleration of onshore grid expansion measures as well as an improved utilisation of the existing grids also remains important. Against the background of the climate targets specified by the German federal parliament, the existing offshore expansion targets no longer suffice. We need to adjust the targets for 2030 and 2040," the industry organisations continue.

Maintain employment and further develop market design

The current expansion gap must be contained. At the same time, with a view to the expansion targets for 2030 and 2040, it will be necessary to maintain value creation and employment in Germany and to sustainably strengthen the attractiveness of the German offshore wind market. To this end, free capacities must be developed as quickly as possible while attractive and reliable investment conditions must be created. "Otherwise, Germany will struggle in an increasingly international market," the industry organisations warn. Politicians should use the capacities available in the short term to reverse and positively stabilise this negative trend. Furthermore, qualification measures and a tailored export and research initiative should be deployed to sustainably protect the German offshore wind industry. The aim is to secure employment today and to make the strengths of the domestic offshore wind industry available for upcoming challenges, such as the development of a "green" hydrogen economy.

In addition, the market design for offshore wind energy must be further developed in order to relieve both consumers and the economy and to create a reliable investment framework for national and international investors from all stakeholder groups.

Concretise expansion plans for "green" hydrogen

An additional opportunity for offshore windpark construction in Germany arises through technologies to build a "green" hydrogen economy. Therefore, the necessary framework must be laid now. However, it is also clear that this will not balance out the current expansion gap. When keeping the most recent expansion targets formulated for offshore wind and green hydrogen in mind, additional areas in the North and Baltic Seas must be defined as quickly as possible. On the areas currently earmarked for the production of green hydrogen at sea – which have so far not been connected by cable or pipeline – it is not possible to produce green hydrogen in an economically feasible way. Therefore, a significant contribution to the hydrogen target of 5 GW by 2030 in Germany is unlikely. Conflicting interests of the maritime industry, the navy, and conservationists must be resolved in the interest of climate protection targets. The co-use approach developed by the EU Commission, according to which the scarce marine space should - if possible - be used by several actors at the same time, offers a great example. This idea can be further developed and should also be increasingly applied in Germany. "For us, it is clear that capacities of well over 50 GW of offshore wind are necessary and feasible in the German North and Baltic Seas. Recent reports speak of 54 and 57 GW total expansion potential.* Since the expansion of renewable energies is important for long-term species protection, there is an urgent need to find compromises. The most recent draft of the spatial development plan is a good start," explain the industry organisations.

In order to implement the National Hydrogen Strategy, policy-makers also need to create a commercially-driven basis for green hydrogen and call for such solutions at the European level. The framework for exempting green electricity from the EEG surcharge for hydrogen production is a good approach to this, which must be followed by additional steps: a binding target for the production of green hydrogen from offshore wind energy as well as reliable procurement mechanisms. In order to successfully create a green hydrogen market, it is of utmost importance to link hydrogen production with the expansion of offshore wind energy capacities.

Increase target by 2030, present targets for 2045 and 2050

The German government's new goal of achieving climate neutrality by 2045 should be followed up by concrete expansion targets for offshore wind and green hydrogen, including a long-term target for 2050. This target should be in line with demand forecasts for green electricity and green hydrogen as well as the EU's goal of expanding offshore wind to 300 GW by 2050. This allows for planning that can be further developed through pan-European and international cooperation.

*Shortlinks to the reports: <https://bit.ly/3wAXbca> / <https://bit.ly/3i2RZbN>

Picture: © WAB/WindMW Service GmbH

About the German Wind Energy Association e.V. (BWE)

As a member of the German Renewable Energy Federation (BEE), the BWE represents the entire wind energy sector with its more than 20,000 members. Together, the supplier and manufacturer industry anchored in the German mechanical engineering sector, project developers, specialised lawyers, the financial sector as well as companies from the areas of logistics, construction, service/maintenance and storage technologies, electricity traders, grid operators and energy suppliers ensure that the BWE is the first point of contact for politics and business, science and the media on all issues relating to wind energy.

About the Federal Association of Offshore Wind Farm Operators e.V. (BWO)

The German Offshore Wind Farm Operators Association (BWO) represents all companies that plan, construct and operate offshore wind farms in Germany. The BWO is the central point of contact for politicians and authorities at federal level on all issues relating to offshore wind power.

About the German Foundation OFFSHORE-WIND ENERGY

The non-profit foundation of German industry for the utilisation and research of offshore wind energy was founded in 2005 on the initiative of the industry and under the moderation of the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU). The aim of the foundation is to consolidate the role of offshore wind energy in the energy mix of the future in Germany and Europe and to promote its expansion in the interests of environmental and climate protection.

About VDMA Power Systems

VDMA Power Systems is a trade association of the German Engineering Federation VDMA e.V. The trade association represents the interests of manufacturers of wind energy and hydropower plants, fuel cells, thermal plants and storage systems in Germany and abroad. For all of them, VDMA Power Systems serves as an information and communication platform for all industry topics such as energy policy, legislation, market analyses, trade fairs, standardisation and press and public relations.

About the WAB e.V.

The WAB, based in Bremerhaven, is the nationwide contact for the offshore wind industry, the onshore network in the Northwest and promotes the production of "green" hydrogen from wind power. More than 250 smaller and larger companies as well as institutes from all areas of the wind industry, the maritime industry and research belong to the association.

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