Minister Peter Altmaier
Federal Minister for Economic Affairs and Energy
Scharnhorststraße 34-37
10115 Berlin

Brussels, 10 March 2021

Dear Minister,

We are writing on behalf of the European wind industry - in coordination with the German national associations - to stress the urgency of addressing persistent bottlenecks to the development of wind energy in Germany. It is essential that EU Member States implement regulatory frameworks that will enable industry and investors to deliver the existing 2030 renewable energy target, and that they set the course to meet the EU's new 2030 climate target. In this regard the next months will be key: National Governments are due to transpose the Renewable Energy Directive into national legislation by June 2021, a stepping stone in delivering our 2030 climate and energy commitments.

The new amended Erneuerbare Energien Gesetz (EEG2021) contains several positive aspects, such as the commitment for an even closer cooperation with the Federal States to identify zones for new wind energy projects, the extension of the reference yield model, the abolition of the grid expansion area and municipal participation. The definition of auction volumes for the current decade is also an important development, though the provision allowing BNetzA to unilaterally reduce wind energy auction volumes when it anticipates a risk of undersubscription undermines the intended investor visibility.

We feel that the regulatory framework as it stands falls short of what Germany needs to deliver the EU's 2030 renewables target which translates into the existing German 65% renewable electricity target. Delivering any future targets in line with the increased climate ambition at EU level will be more challenging still.

The key bottlenecks facing the development of onshore wind energy in Germany remain. One area that needs urgent attention is the implementation of the outstanding issues of the Federal Government's 18-point plan on permitting. Complex permitting rules and procedures are the biggest barrier to the expansion of wind and all renewables in Germany.

The repowering of existing wind energy projects also needs dedicated policies. By June of this year Germany must ensure, under the binding EU Renewables Directive, that permit decisions on repowering are made within one year. German law does not yet recognise repowering, let alone apply the new EU rule or support repowering more broadly. We draw hope from the fact that the "Entschließungsantrag" which accompanies the amended EEG2021 recognises that urgent action is needed here.

We are encouraged that the “Entschließungsantrag” leaves the door open for improvements. Could we urge you to focus on the following “quick wins” where we believe progress is possible in the next months:

- **Applying the 12-month permitting deadline for the repowering of existing wind farms** mandated by article 16.6 of the Renewable Energy Directive. We appreciate current efforts in the Ministry of Economic Affairs and Energy to streamline regulation for permitting of repowering projects. Germany must address this by adjusting the height, noise and environmental criteria in the Bundesimmissionsschutzgesetz to reflect the characteristics of repowering projects. Repowering projects are for the most part assessed in the same way as greenfield projects. Even though the replacement of the old turbines with new, modern wind turbines would bring about significant improvements for residents and wildlife.
- **Creating a one-stop-shop for the permitting of wind energy projects** as mandated by article 16.1 of the Renewable Energy Directive. Germany’s permitting process remains complex and fragmented.
- **Completing the implementation of the 18-point plan to improve permitting**. We welcome the new flexible approach to set-back distances and the creation of the Bund-Länder-Vereinbarung to improve cooperation on spatial planning. However other bits of the plan, including commitments to streamline environmental regulation, and reducing the set-back distance from radars to 10 km, have yet to be tackled.
- **Revisiting the provision from EEG 2021 allowing BNetzA to unilaterally reduce wind energy auction volumes when it anticipates a risk of the auction being undersubscribed** (§28,6 EEG2021). This provision, which is designed in one direction only, is very damaging for the visibility of the wind energy supply chain. And it fails to address the root causes of undersubscription: slow and cumbersome permitting. As it stands, the provision is inconsistent with article 6.3 of the Renewable Energy Directive which mandates Member States to give investors at least 5 years of visibility on the volumes, timing, and budget for renewable energy auctions.
- **Enabling the development of corporate renewable Power Purchase Agreements** to stimulate market-driven demand for renewable energy. Energy intensive consumers should continue to benefit from indirect ETS cost-compensation when they conclude a corporate renewable PPA as allowed under the 2021 ETS State aid guidelines. Furthermore, energy-intensive consumers who benefit from EU-approved EEG surcharge exemptions should be able to maintain these exemptions when they consume electricity from their own renewable energy generation assets.
- **Allowing pilot projects with wind turbines of 6 MW or more to be exempted from having to compete in auctions.** The current rule is apparently based on paragraph 127 of the 2014 EU Environmental and Energy State aid guidelines. However, the 6 MW threshold in this paragraph does not refer to pilot projects in our view. A change in the interpretation of the EU Guidelines would go a long way in enabling testing of larger turbines that will be critical to the delivery of Germany’s Climate and Energy objectives.

The wind industry will be delighted to support you in implementing the above measures. This is critical to maintaining Germany’s attractiveness for investments in the wind supply chain. As the number one source of electricity in Germany, you can count on the wind energy industry to continue to help deliver a cost-efficient Energiewende - provided the policy framework is a suitable one - and to deliver investments, jobs and growth and contribute to economic recovery.

Kind regards,

EnBW

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