

FINANCING WIND ENERGY PROJECTS



ENERCON GmbH

Ruth Brand-Schock, Berlin Office



Features of an appropriate support scheme from the point of view of a wind turbine manufacturer

- investor security via reliable return on investment
- open markets for all clients
- obligation for grid operators to purchase the electricity from wind projects
- guaranteed grid access for wind projects
- low and transparent administrative burdens



IRELAND

- Between 1995 and 2003, a tender scheme (the Alternative Energy Requirement – AER) was used to support RES-E.
- Since 2006, the Renewable Energy Feed-In Tariff (REFIT) has become the main tool for promoting RES-E.

Evaluation from the financing point of view:

- The tender scheme set fixed prices depending on the offeres, giving the project to the cheapest bidder.
- Planners thus had to invest a lot of work before they knew wether they had the project → only big companies could afford to participate.
- The Irish monopolistic supplier made extremely low biddings to save his market.
- Since the introduction of the REFIT the market evolves.



- Feed-in tariffs were introduced in 1994 and amended by the recently approved Feed-In Law.
- Tariffs are now technology-specific, instead of uniform, and a guarantee of 12 years is given, with a possibility of extension of up to 20 years.

Evaluation from the financing point of view:

- Due to the REFIT the market is stable and open to clients of all sizes.
- Administrative burdens demand some patience on the side of the planners
→ only companies of a certain size can support the long phase without return on investment.



- In 2009 a guaranteed price (6 €ct. from 2009) plus variable price will be adopted. The market price is 8-9 €ct.
- Without the guaranteed price financing wind energy projects was too risky.
- Now, even the adoption of a quite low guaranteed price stabilizes the market and is followed by investments.

Evaluation from the financing point of view:

- The minimum price of 6 €ct. gives investors a certain security, thus boosting the wind market.
- The system needs particular features given in Turkey: very good wind conditions and a market price that is expected to remain high due to growing electricity demand.



- Tradable Green Certificates were introduced in 2003.
- The *Renewable Energy with green certificates bill* from 1 January 2007 shifts the quota obligation from electricity users to electricity suppliers, and incorporates a new target of 17 TWh by 2016.

Evaluation from the financing point of view:

- Due to the financial crisis certificate prices fell quickly, thus depreciating the value of green electricity.
- Companies are lucky if their renewable projects in Sweden are still in a phase where they can be downsized or even stopped.

Thank you for your attention!