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Green energy funds: Germany to go for full bidding in power from 2013

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Kolkata: Germany considered as a major green force among the European Union countries, will go for full auctioning in its electricity sector from 2013. And the move is aimed at generating funds to put in place an electricity system run by renewable energy resources by 2020, the year by which it has decided to cut the greenhouse gas emission by 40%. The country, which has already shut down eight of its 17 nuclear power plants in 2011, will phase out the rest by 2020.

"The idea is to produce 35% of electricity using renewable energies by 2020. And to start work on the future grids, which should be flexible enough, we need funds. The move to go for 100% auctioning in the sector is expected to generate a revenue of over 3 billion euro per year, which will be used as climate and energy funds. The national grid development plan will be on table by June this year," said Martin Weiss of the federal ministry for environment, Germany. The country is managing about 350 million euro climate and energy funds for 2012.

When asked about the impact on consumers, Weiss said the electricity prices don't necessarily need to rise as all the ele-



A view of energy self-sufficient village Feldheim near Berlin, where 140 inhabitants get electricity from a wind power station and heat from a bio gas station

ments to decide power prices have been factored in the present tariff structure. "Before the start of emission trading in 2005, the utility firms were given free allowances (one allowance is a permit to emit 1 ton of CO₂) and they have even incorporated this along with generation, distribution, supply and grid cost for charging tariff. So, the tariff is already on the higher side," added Weiss.

Renewable energies generated 20% of electricity in Germany in 2011, whereas the nuclear power plants' share in the genera-

tion was 18%. Brigitte Knopf of sustainable solutions department from Potsdam Institute for Climate Impact Research said if a proper power generation system using renewable energy resources is not put in place in time, the prices might rise once all the nuclear plants are closed in 2020. "This is because hard coal and lignite-based plants will have to bridge the gap and generation cost using these fuels are much higher compared to renewable energies," she added.

With eight to 10 coal-fired power plants are under construction and ready to come up by 2013, German Bundestag member and deputy chairman of Social Democratic Parliamentary group Ulrich Kelber said the country needs some fossil fuel plants as a back-up arrangement. And his belief seems to hold water as there was a near-blackout situation in Germany in 2011 when some nuclear plants were closed and the country had to import energy from Austria. However, the federal foreign office looks reluctant over the fossil fuel plants as it wants to bring down the energy import bill of the country which currently imports 97% of its oil, 67% of coal and 88% of its gas.

(THIS CORRESPONDENT WAS IN GERMANY ON AN INVITATION BY THE GERMAN FEDERAL FOREIGN OFFICE)