

# The German PV Market: Of Climate Targets, New Political Constellations and Market Drivers

David Wedepohl, German Solar Association (BSW-Solar)

# German Solar Association

**TASK** To represent the solar industry in Germany in the photovoltaic and thermal and storage sector

**VISION** A sustainable global energy supply provided by solar (renewable) energy

**ACTIVITIES** Lobbying, political advice, public relations, market observation, standardization

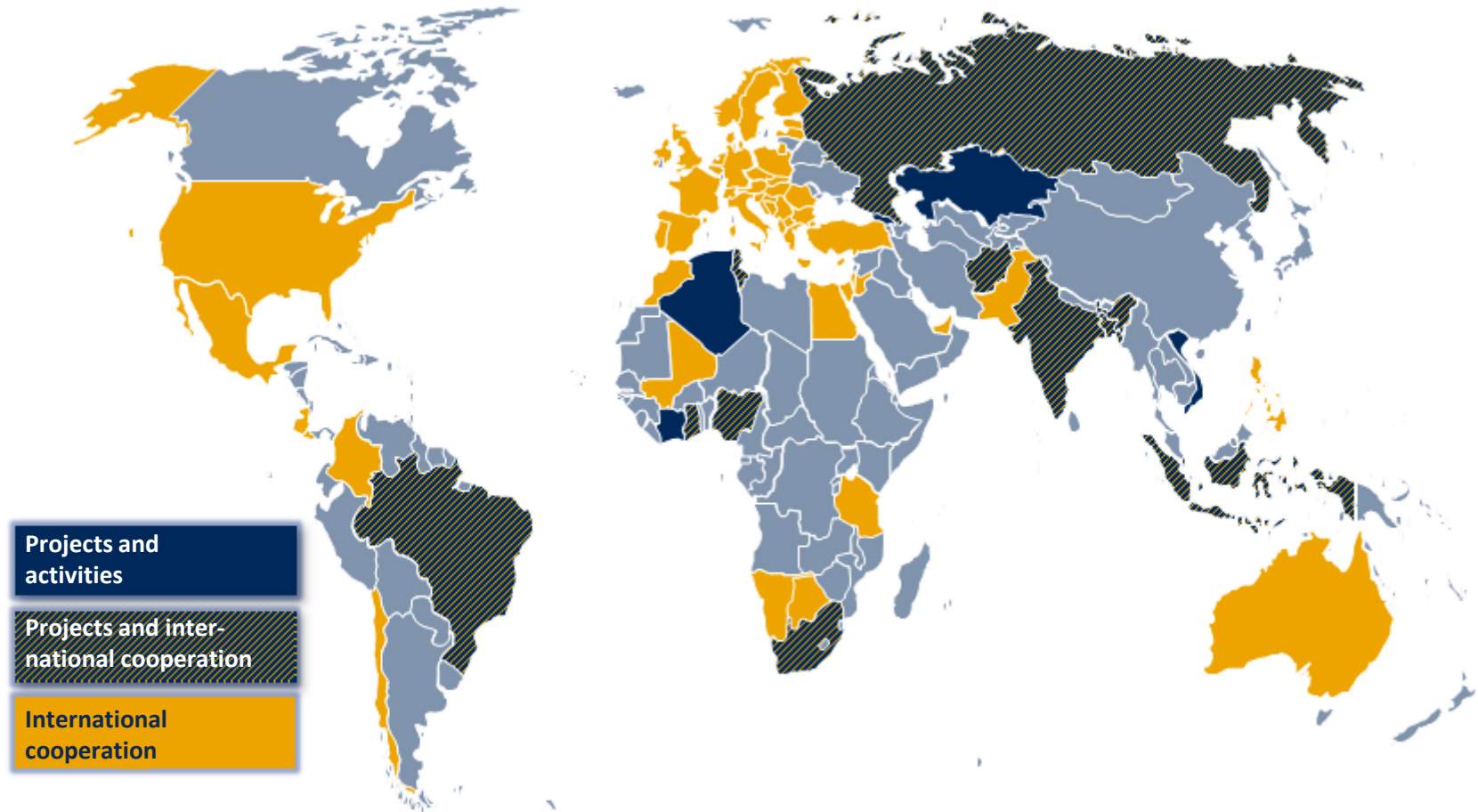
**EXPERIENCE** Active in the solar energy sector for over 40 years

**REPRESENTS** Solar producers, suppliers, wholesalers, installers and other companies active in the solar business from all over the world

**HEADQUARTER** Berlin



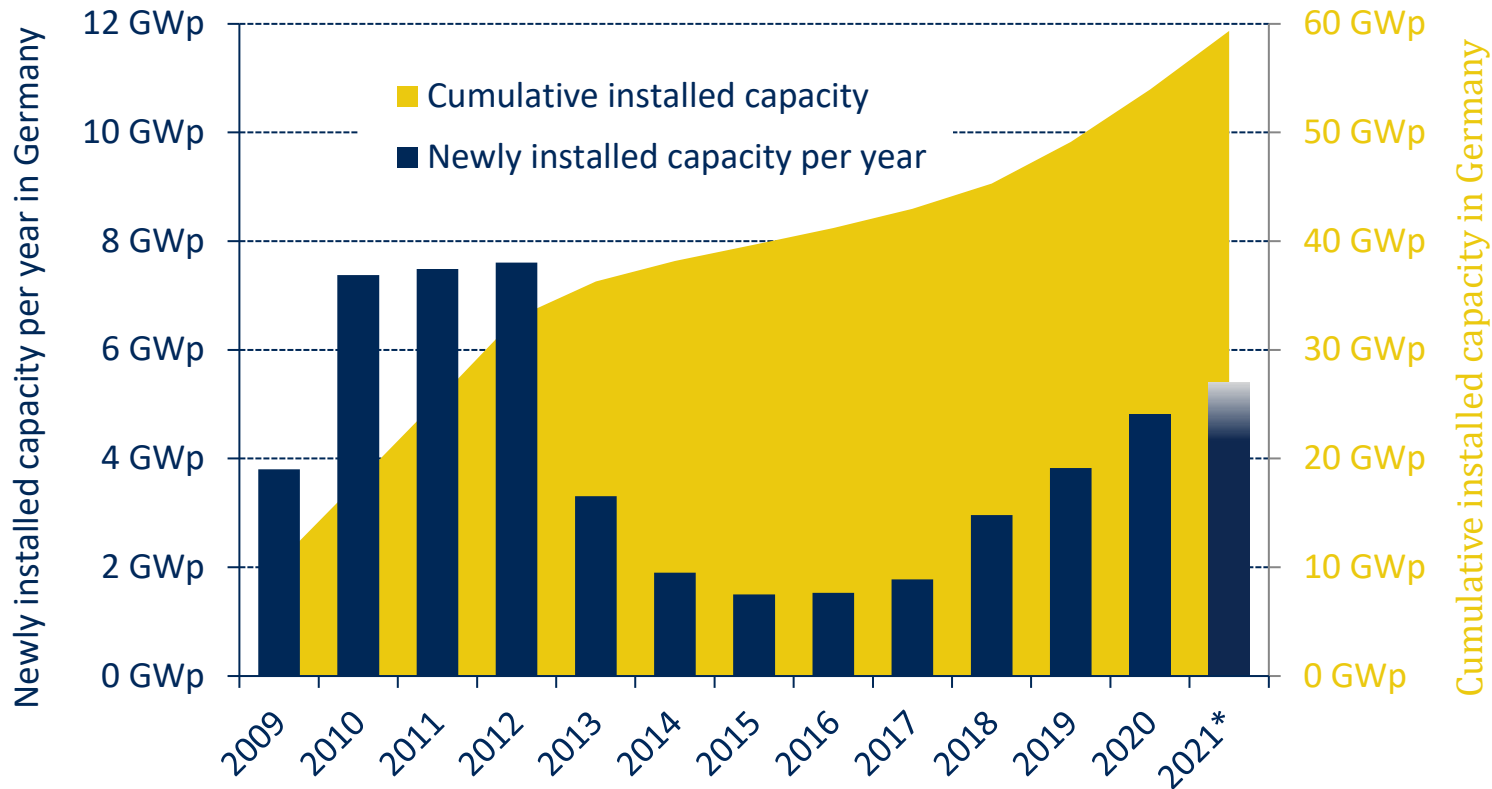
# BSW-Solar: Working world wide to improve frameworks for the use of solar energy!



For example in Georgia, Russia, Kazakhstan, India, Indonesia, Pakistan, Bangladesh, Brazil, Mexico, Algeria, Tunisia, Nigeria, Ghana und South Africa.

## 4.8 Gigawatt New PV Capacity Added in 2020

but: 15 GW per year needed to meet climate targets



\*preliminary estimate

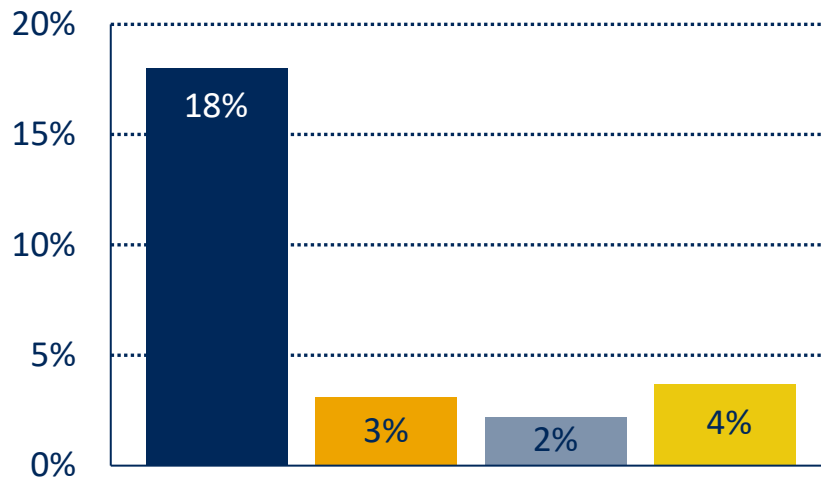
Source: Federal Network Agency (BNetzA), BSW-Solar; as of 10/2021

- Almost 57 GW total installed PV capacity in Germany mid-year 2021.
- Approx. 12 % market growth expected in 2021 (preliminary estimate).

# 92% of 7,000 German households surveyed support building and funding rooftop PV (and 10,000 companies surveyed favour PV, too)

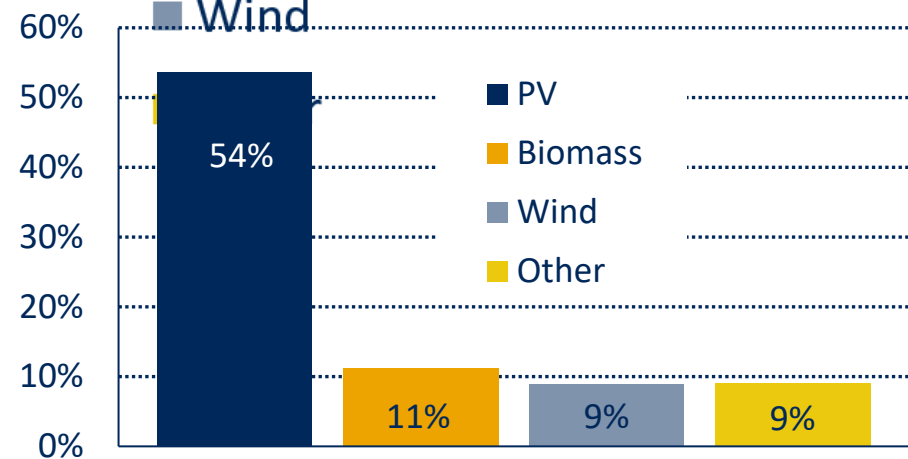


23% of German companies already produce Green Energy



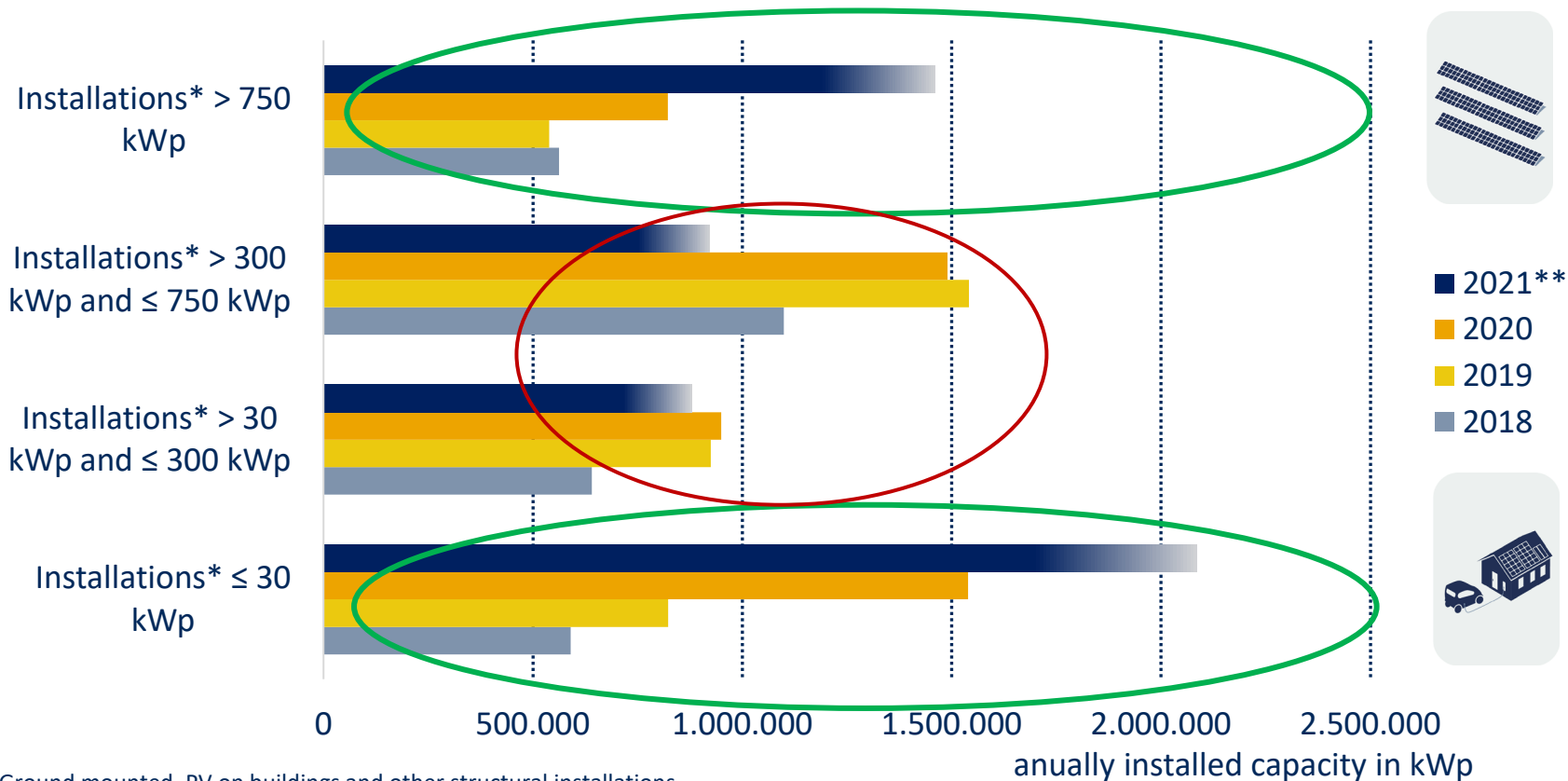
Source: Own graphic based on E.ON (2021), multiple answers possible

62% of Germany Companies can imagine investing in Green Energy



Source: Own graphic based on E.ON (2021), multiple answers possible

# Strong Growth in Residential and Utility Segment in Germany in 2020 - and further growth expected in 2021



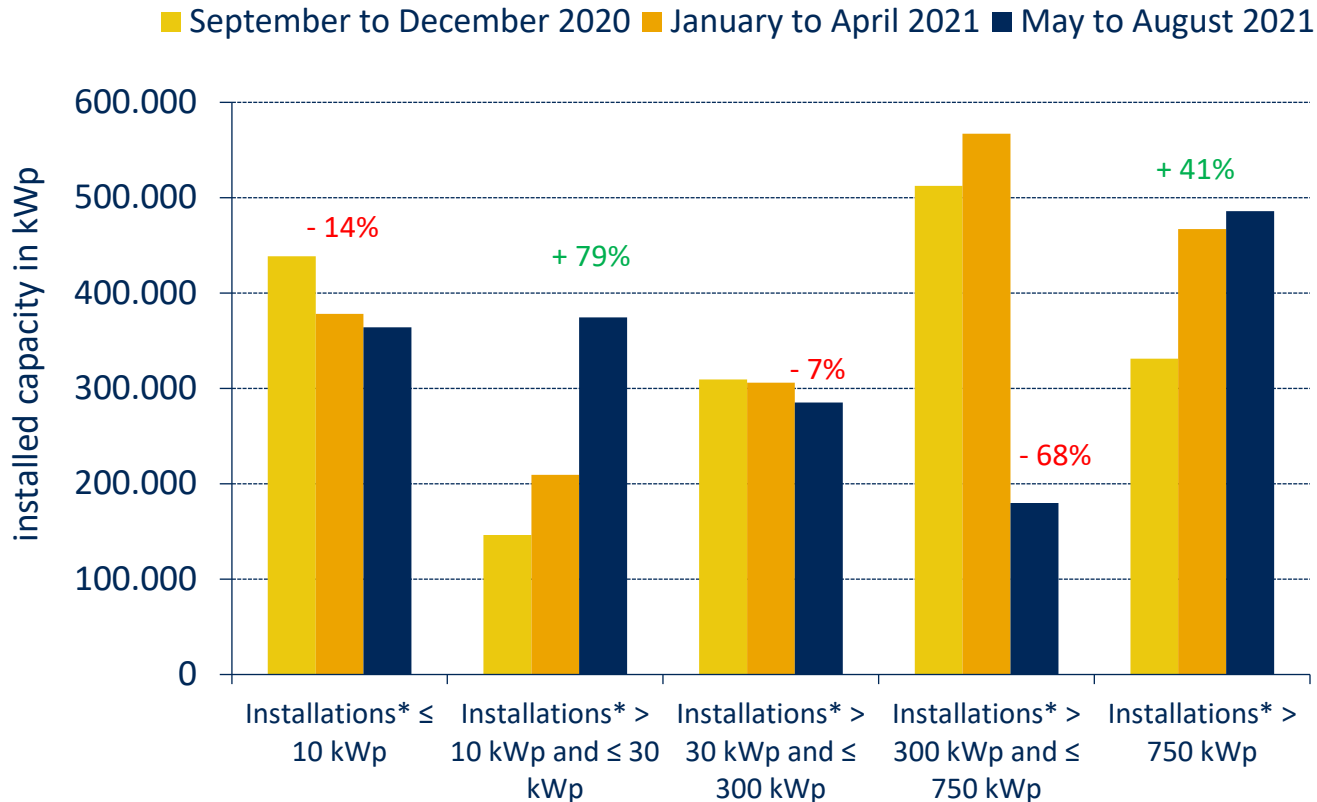
\* Ground mounted, PV on buildings and other structural installations

\*\* Preliminary estimation

Source: Federal Network Agency (BNetzA), BSW-Solar; as of 10/2021

# Politics Matter: Recent Trends due to EEG Law

PV-installations by size\* and 4-month comparison



Source: Unsplash

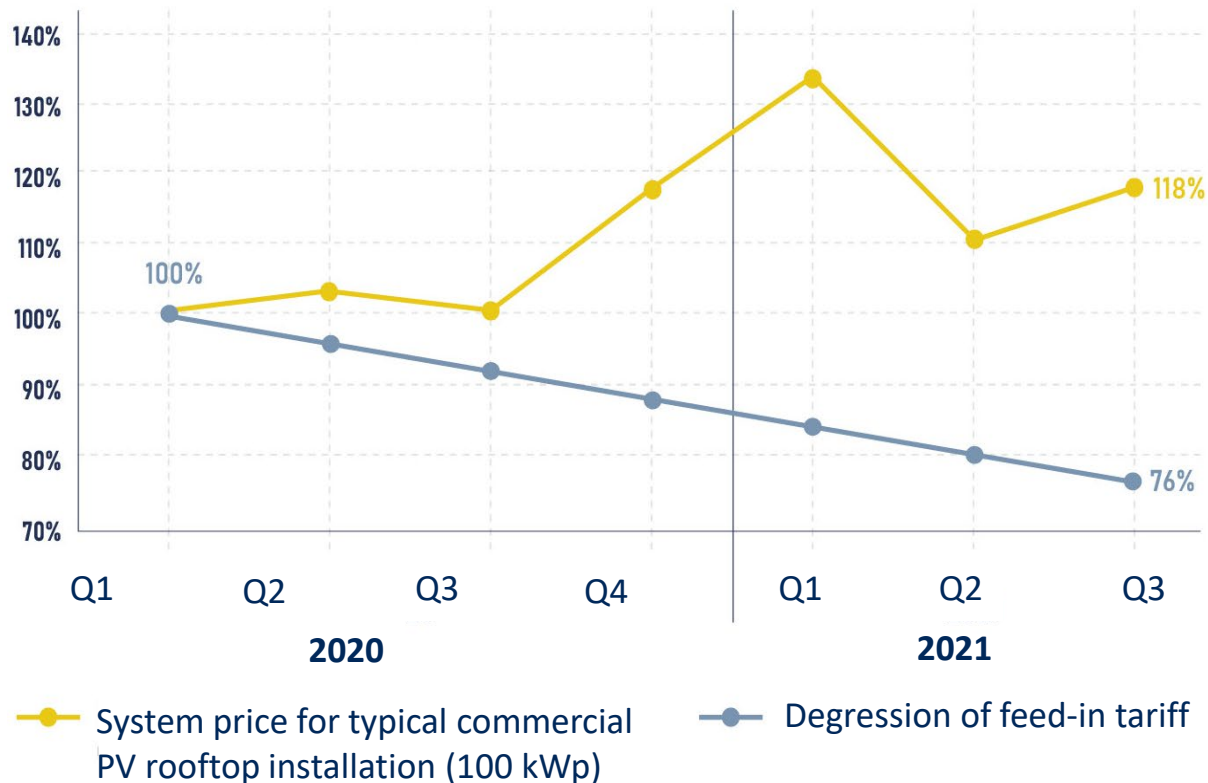
\* Ground mounted, rooftop PV and PV on other structural installations

Source: Federal Network Agency (BNetzA), BSW-Solar; 2021



# Market Downers in Commercial Rooftop Segment

Low Feed-in Tariffs/Market Premiums vs. high costs

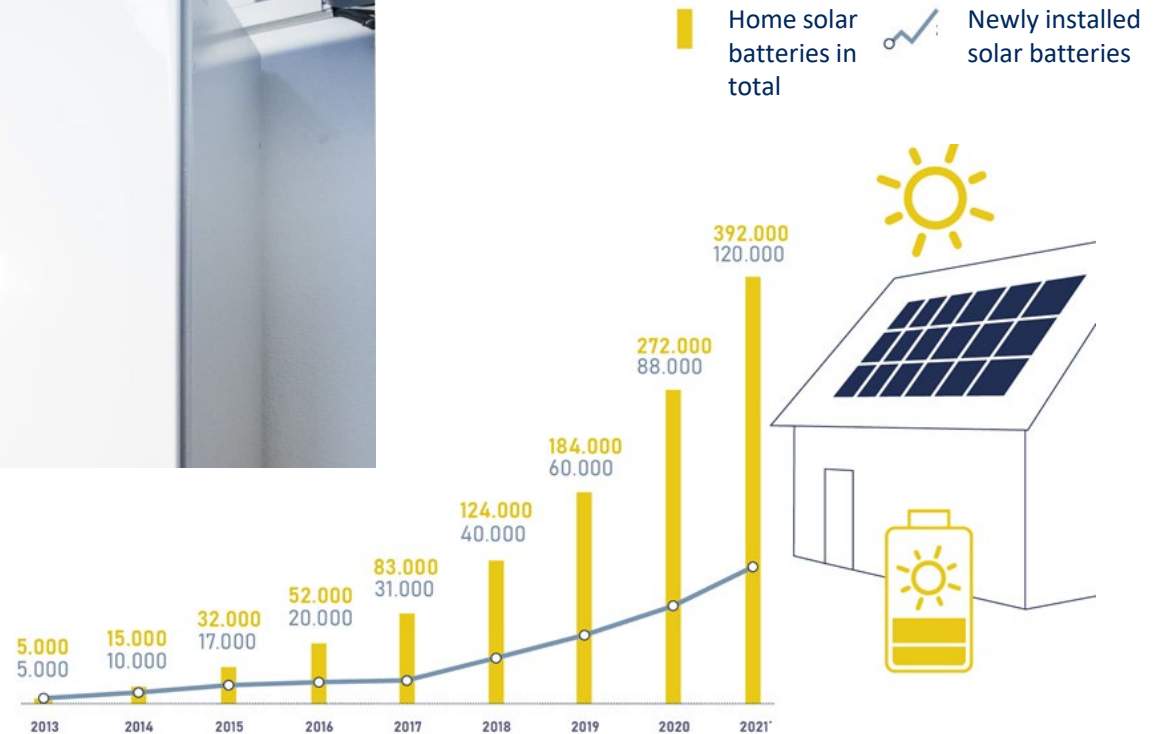


Source: own graphic based on EUPD Research, 2021



# Boom in Solar Power Storage Systems

More than half of new residential PV systems installed with a battery



\*Preliminary estimate  
Source: BSW-Solar, 2021

- Strong growth also in E-Mobility in 2020 (+ 200% in BEV, + 342 % PHEV)

# PPA-Market in Germany: Niche but Growing

Picked up again end of 2020 with rising market values for solar power

- Better availability of space (restricted in EEG)
- Bigger installation sizes possible (restricted in EEG to max. 20 MW)
- Certificates of Origin can result in higher prices for electricity sold

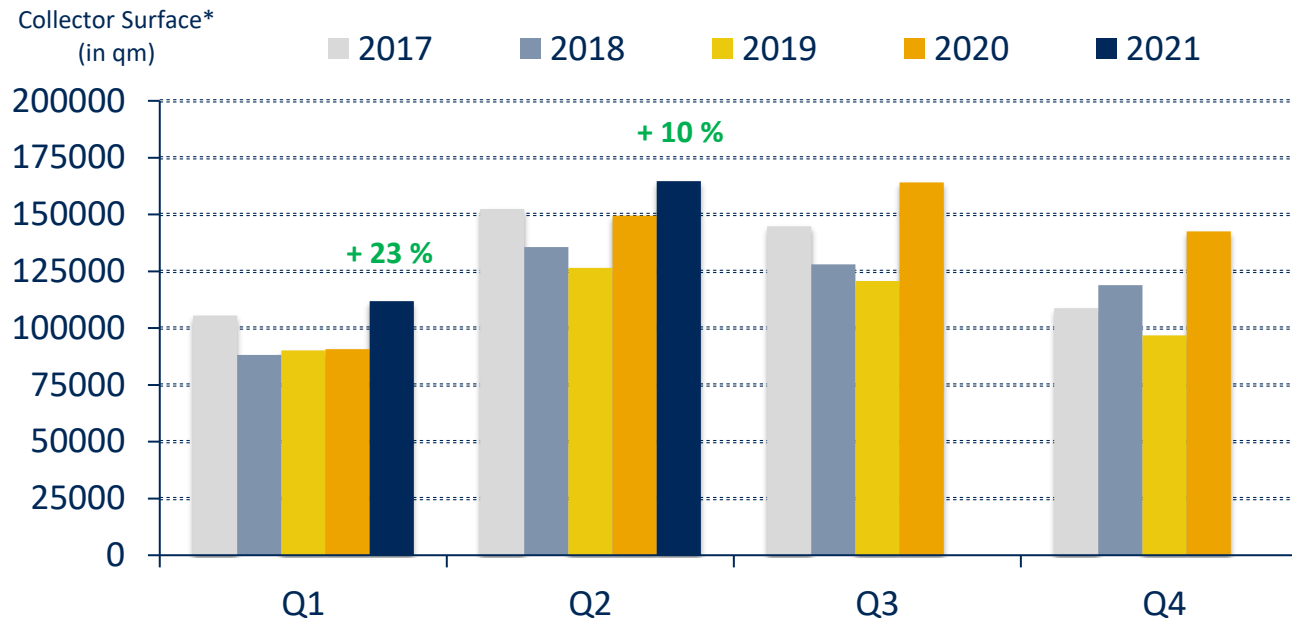
→ But will only represent small part of needed PV capacities in Germany until 2030.



Source: AdobeStock

# Renaissance of Solar Heating in 2020

+15% in 1<sup>st</sup> half of 2021 compared to 1<sup>st</sup> half of 2020



Source: BSW-Solar and BDH, Collector Surface Sales Statistics Germany, 08/2021

\* Estimated Market coverage of BSW/BDH-Sales Statistics in 2020 and 2021: 85 %

- But since July 2021 first decreases in collector sales since introduction of new funding mechanism in early 2020
- In light of rising gas prices and carbon tax: Solar thermal is expected to have a positive development

# Policy in first half 2021

## Amendments of EEG Law for PV and storage in 2021 so far

- Increase in PV tender volumes for ground-mounted PV  
→ extra 2 GW for 2022 (total 3,6 GW in 2022, 1,65 GW in 2023)
- Increase in tender volumes for roof-top-PV > 300kWp  
→ extra 2 GW for 2022 (total 2,3 GW in 2022, 0,35 GW in 2023)
- EEG levy exemption for small PV installations up to 30 kWp (before: only up to 10 kWp)
- Double taxation of the EEG-levy on stored electricity was abolished



Source: AdobeStock

# Big climate challenge ahead for new coalition

## New climate protection act has to be filled with life

Act increases the German reduction goals for greenhouse gases to:

- minus 65 % (before 55 %) until 2030,
- minus 88 % until 2040 and
- **climate neutrality until 2045** instead of 2050.



Source: AdobeStock

Scientists expect an **installed capacity of at least 200 GW** Photovoltaic is **needed in Germany** in 2030.

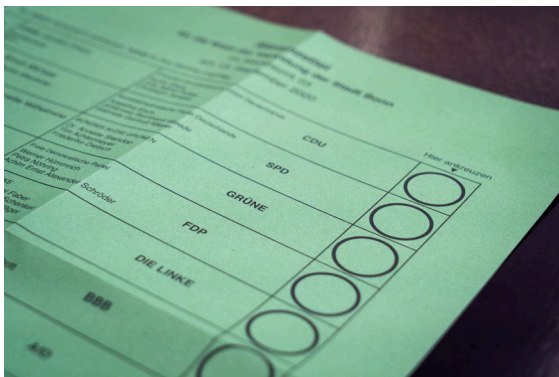
→ **Current law only** provides for **104 GW**.



# Federal Elections

## Difficult coalition negotiations ahead

- SPD now strongest party in parliament, CDU/CSU only second
  - no political will for a continuation of the coalition of SPD and CDU/CSU
- FDP and Greens gained
  - Next coalition needs both parties to work together
- Possible coalitions in discussion
  - “traffic light” (SPD, Greens, FDP)
  - “Jamaica” (CDU/CSU, Greens, FDP)



Source: Unsplash



Source: Twitter

# Swift amendment of energy policies needed

## BSW recommendation for a 100-day-law (Choice)

- **Increase PV-expansion targets** to an annual average of 15 GW between 2022 and 2030.
- **Make PV roofs to the driver of energy transition**
  - Increase the EEG remuneration once
  - Restrict auctions to solar roof > 1MW
- Strengthen solar **self-consumption** by abolishing the EEG surcharge.
- **Expand the range of locations** for ground-mounted systems.





Thank you.  
**Please visit us at A6, booth 360!**

**David Wedepohl**  
**Managing Director International Affairs**  
Tel.: 0049 30 29 777 880  
info@bsw-solar.de

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