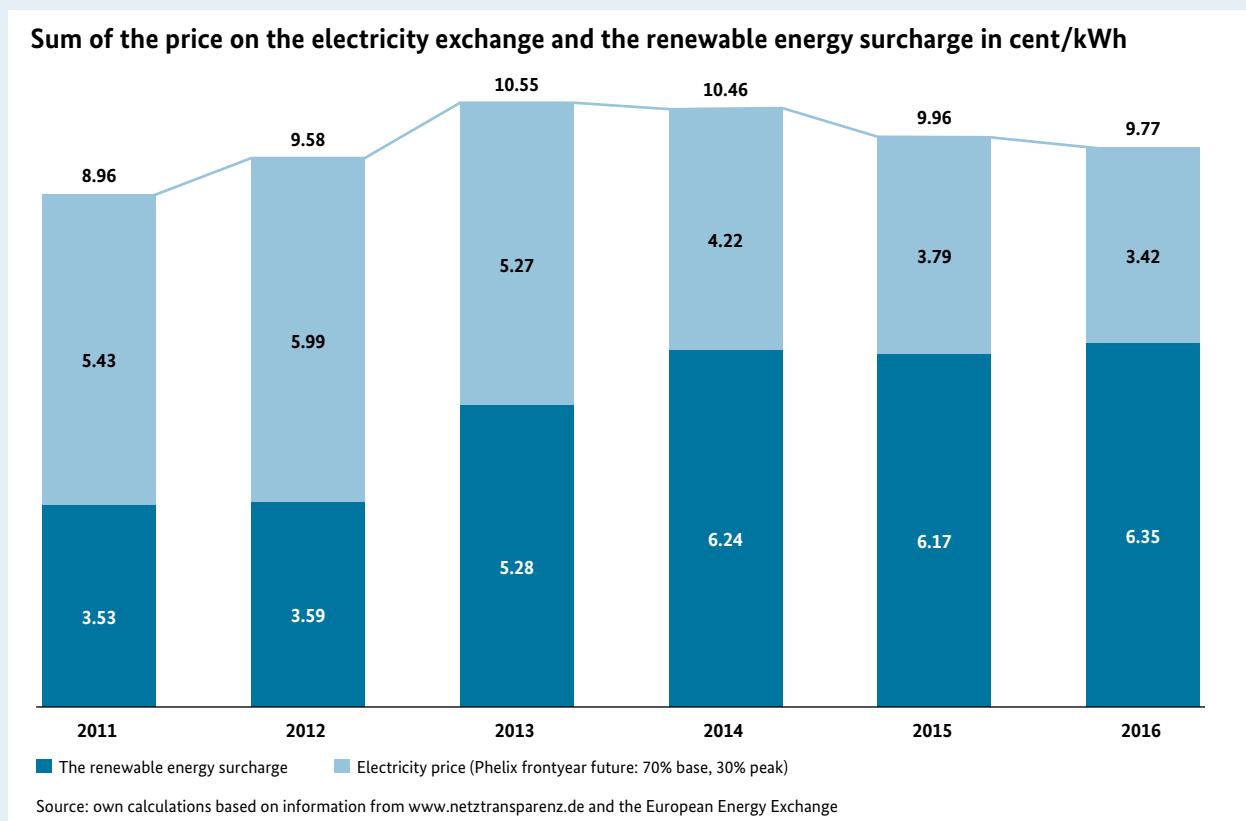




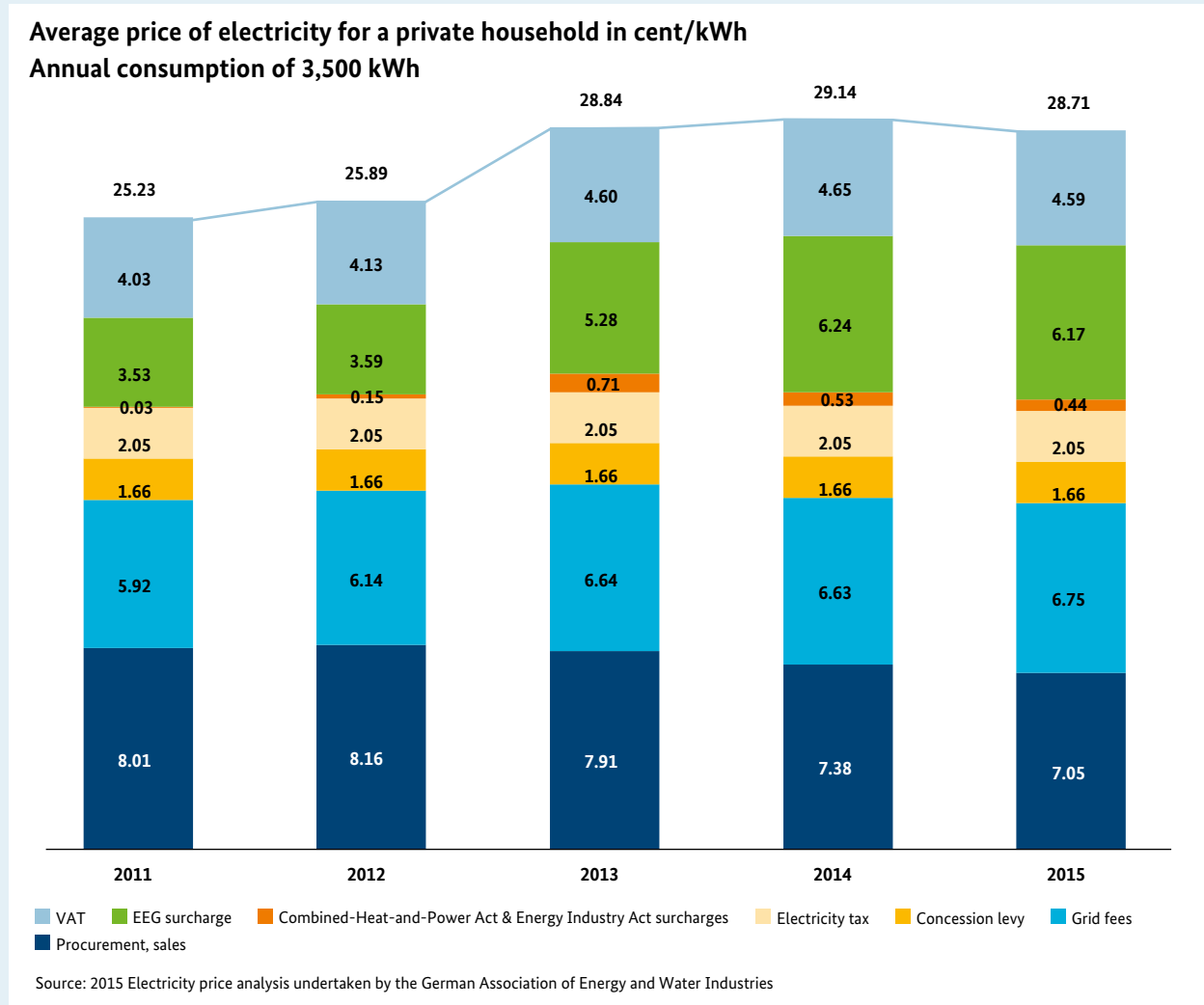
# Renewable energy surcharge in 2016: Facts and background

The exact renewable energy surcharge (also known as the EEG surcharge) is determined using forecasts for revenue and expenditure in **2016**, taking into account the balance on the renewable energy surcharge account on 30 September 2015. It is set by the transmission system operators on the basis of the Renewable Energy Sources Act (German abbreviation: EEG) and the Equalisation Scheme Ordinance, and is published on 15 October at the latest. In order to arrive at the right figure, the transmission system operators ask established research institutions to help them forecast their expected expenditure based on scientific data (particularly tariffs and market premiums for the plant operations) and revenues (particularly from the marketing of electricity covered by the Renewable Energy Sources Act), as well as the level of electricity consumption subject to the surcharge. They also take into account the balance on the EEG account on 30 September and a 'liquidity reserve'. As part of its supervision of abuse of dominant market positions, the Federal Network Agency examines whether all legislation has been complied with in the setting of the renewable energy surcharge.

The **2016 renewable energy surcharge has been set at 6.35 cents/kWh**, up slightly from 2015 (rise of 0.18 cents/kWh). The price of conventional and renewable electricity is determined by the sum of the price on the electricity exchange and the renewable energy surcharge. This sum reached a record 10.55 cents/kWh in 2013. In 2014 and 2015, it fell twice in succession, and the relevant figure will probably continue to decline in 2016 (see graph). The rise in costs seen over the previous years has been halted as a result of the fundamental reform of the Renewable Energy Sources Act.



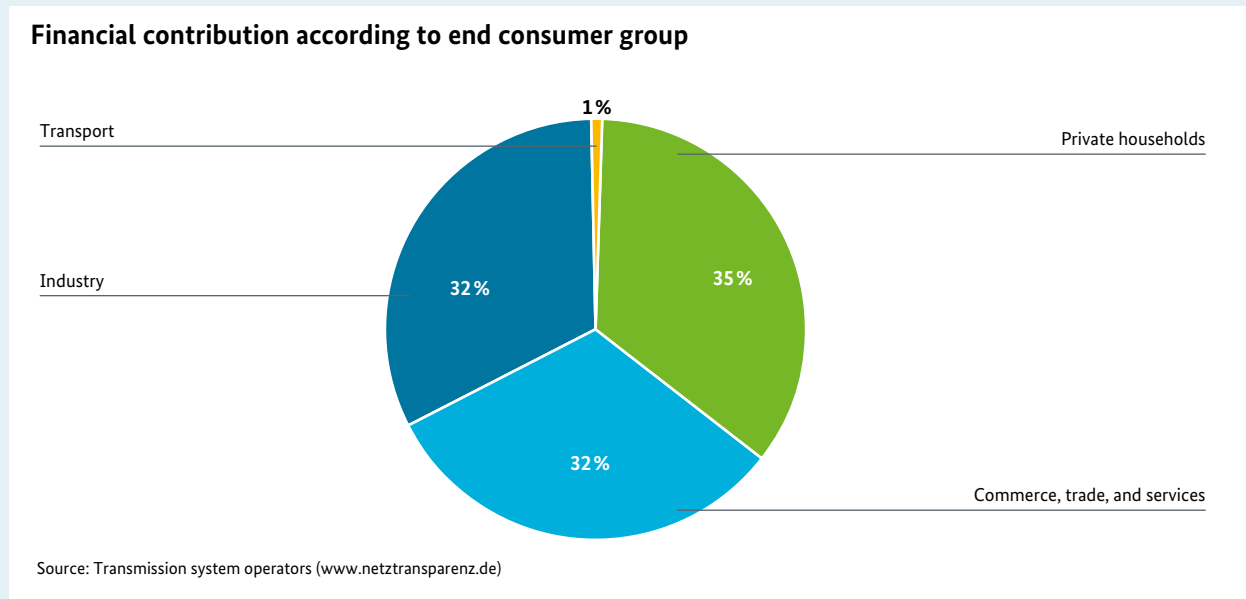
The fall in the sum of the price on the electricity exchange and the renewable energy surcharge is already being reflected in prices for final consumers. This year, electricity prices for private households fell for the first time in many years. In order to benefit from falling prices, electricity consumers will have to continue comparing electricity tariffs regularly and, if necessary, switch to a different tariff or swap providers.



### 2014 revision of the Renewable Energy Sources Act makes a major contribution to stabilising the renewable energy surcharge

- The 2014 Renewable Energy Sources Act is helping to keep the 2016 EEG surcharge down. It stipulates binding deployment corridors, designates the **low-cost technologies** of onshore wind and photovoltaics as priorities for continuing expansion, ends excessive financial assistance, and restricts the creation of additional capacities for biomass, which is comparatively expensive. In comparison with the 2012 Renewable Energy Sources Act, the **redesign of the special equalisation scheme** in 2014 has the **effect of reducing** the EEG surcharge. According to studies by the transmission system operators, the amount of electricity subject to these special rules is declining (-5 percent), and the beneficiary companies are paying a higher renewable energy surcharge. This means that the total amount of reduced payments will fall slightly, dropping to 4.7 billion Euros (2015: 4.8 billion Euros).

- The application procedure for companies wishing to take advantage of the special equalisation scheme in the coming year, which closed in June, affirms this trend, with the **number of companies submitting applications** (including railways and independent business units) falling slightly – to 2,296 (compared with 2,465 in the previous year).
- **The financial burden** is being **distributed fairly**. A third of the renewable energy surcharge is financed by private households, a third by commerce, trade, and services, and a further third by industry.



### How credit in the renewable energy surcharge account is managed

- **Credit** in the renewable energy surcharge account **remains in the system**. The balance of the surcharge account on 30 September was 2.5 billion Euros and was automatically taken into account when the level of the surcharge in 2016 was determined (**'balancing of account'**).
- **The benefits of any surpluses** are fully returned to **the electricity consumer**. The renewable energy surcharge is lower than if there was no balancing of account. Incidentally, the same is also true for any interest earned on credit on the renewable energy surcharge account, which is administered by transmission system operators in the form of a trust.

15. October 2015