

Promotion for High Efficiency Cogeneration in Germany

The new CHP law and the miniCHP investment incentive

History

- In 2002, the first Act on Cogeneration became effective. It supported the modernisation of existing power plants and the new installation of small CHP plants up to 2 MW.
- The Federal Government has identified cogeneration as a central part of the Integrated Energy and Climate Programme (the Meseberg Resolutions, August 2007).
- An amendment of the CHP law was launched in late 2007. It was passed in June 2008 and will become effective on January, 1st 2009.
- All electricity produced is subject to the support scheme, not only the part fed into the grid.
 - 1,5 ct/kWh > 2 MW
 - 2,1 ct/kWh 50 kW - 2 MW
 - 5,11 ct/kWh < 50 kW
- Smoothed steps avoid bonus drops with larger unit sizes, which previously led to a “market vacuum” in the 50-150 kW range.

Main Features

- Main objective is to double the CHP quota towards a target rate of 25%.
- The annual volume is capped at 750 mill. Euro, 150 mill. of this sum are dedicated to the expansion of district heating and cooling.
- Cogeneration bonus on produced electricity depends on CHP unit size, without any capacity limit.

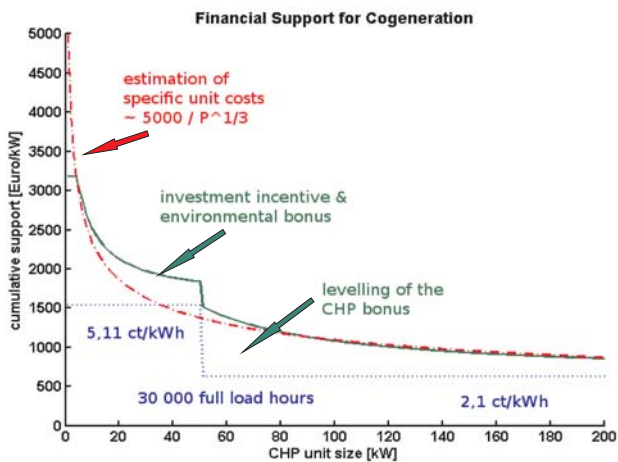


Fig. 1: Cumulative support compared to approximated unit prices

Investment Incentive Programme

- Mini-CHP units up to 50 kW are awarded with a CAPEX subsidy in the range of 250 - 1650 €/kW (see fig. 1)

CHP - the standard heating system?

- The combined facilitation equates roughly to the capital expenditure.
- The marketing of generated electricity within apartment buildings has been made easier, as aggregated metering is explicitly approved by the CHP law.

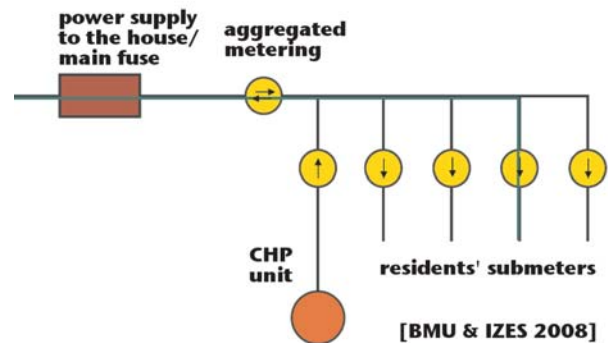


Fig. 2: Aggregated metering in apartment buildings with a CHP installation

Acknowledgement

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