

## PRESS RELEASE

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### **NEXT INVITATION TO TENDER “WIND AN LAND” ON 01.08.2017 WITH 1,000 MW – HIGH OVERSUBSCRIPTION ONCE AGAIN ANTICIPATED**

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In mid-May, the Federal Network Agency published the results of its first invitation to tender, “Wind an Land”, which greatly surprised many stakeholders. Överbmöhle Consult had already accurately and publically predicted the tender results back in November 2016 at the “25th Wind Power Days” held in Potsdam.

The awarded quantity of 800 MW was followed by 256 bids with a total volume of 2,137 MW, of which around 975 MW had “qualified” through presentation of certification pursuant to the Federal Emission Control Act (BlmSchG). The remaining 1,160 MW was accounted for by so-called civic power companies (Bürgerenergiegesellschaften or BEG), which in line with EEG 2017 are privileged, and do not require BlmSchG approval to participate in the invitation to tender.

Within the scope of the tendering procedure for onshore wind turbines, the Federal Network Agency has applied overhead with 70 bids for a total output of 807 MW. Of this, around 32 MW (4%) benefited projects with BlmSchG approval, and around 775 MW (96%) went to non-approved BEGs. The average award value lies at 5.71 ct/kWh, the maximum value outside the network expansion area is 5.78 ct/kWh, and the highest bid value within the network expansion area is 5.58 ct/kWh.

Överbmöhle Consult anticipated both the high oversubscription, attributable to the strong participation of privileged BEGs, as well as the low award values (we forecast 5.6 ct/kWh). All of our customers and other stakeholders who followed our recommendations have been awarded a contract, for which we offer our warmest congratulations!

After the invitation to tender is before the invitation to tender. The next round begins on 01.08.2017 with 1,000 MW. Once again we anticipate a high oversubscription, for which there are three decisive factors: The projects with BlmSchG approval without an overhead from the first invitation to tender totalling around 940 MW, the meanwhile newly granted approvals up to the registration date in early July, and the large number of additional privileged BEG projects.

The strong competitive pressure is expected to result in falling award prices. Many wind farms with BlmSchG approval will once again not be awarded a contract, which will have a negative affect on the project rights prices. To prevent high losses in value, project developers are called

upon to think about future marketing activities from a very early stage, at best when the BIm-SchG application is submitted, since that is when the turbine type is determined, which is a crucial factor for the project's competitiveness, and therefore its overall success.

CEO Klaus Överböhmle explains: "This was just the result we were expecting for the invitation to tender, and so we weren't surprised. The entire wind power industry, and in particular the small and medium-sized project developers, are facing a huge transformation, and all the stakeholders involved will be forced to adapt their business models to accommodate the new circumstances. To this end, we developed corresponding cooperation models early on so that even small companies will in future be able to operate successfully in the market. Those who can't adapt promptly, and think that they can wait even longer, will run the great risk of being among the losers of the imminent and necessary consolidation of the wind energy market."

## PROFILE OF ÖVERMÖHLE CONSULT & MARKETING

Överböhmle C&M has collected over 15 years of expertise in the wind energy sector. The company develops market strategies together with its SEM customers, and actively supports them in achieving their set goals more quickly. On account of its wealth of experience in providing consulting services, the company maintains personal contacts not only to most wind power project planners, but also to many manufacturers and suppliers, which are brought to bear at every available opportunity. Our regularly published studies, among them the "Concise Market Analysis For Wind Energy Project Planners in Germany", deliver realistic estimates and forecasts for future developments. Our many years of market experience and good networking in the wind industry put us in the position to accurately predict the results of invitations to tender. The company also advises domestic and foreign investors in their investment decisions. Together with its customers, Överböhmle C&M has to date successfully marketed 18 wind farms with 107 wind turbines (222.8 MW) and an investment volume of € 315 million.

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