

Grid operators say Germany must invest \$25 billion

JUERGEN BAETZ - Associated Press - Associated Press

The operators of Germany's electricity grid said Wednesday the country must invest about €20 billion (\$25 billion) in new transmission networks over the next decade as the nation abandons nuclear power and uses more renewable energy.

About 2,500 miles (4,000 kilometers) of new transmission lines must be built to ensure the country's energy switchover, and another 2,730 miles (4,400 kilometers) of high-voltage lines need to be upgraded, the four operators said in a report presented to the government.

Germany decided after Japan's Fukushima nuclear disaster last year to accelerate the shutdown of its atomic power plants, embarking on a transition to renewable energies.

"The investments required for expanding the transmission network only represent a fraction of the energy switchover's cost, but they are essential for its successful implementation," operators 50Hertz, Amprion, TenneT and TransnetBW said.

An effective energy transmission infrastructure is a major issue because while much heavy industry is based in southern Germany, the coasts and plains of the country's north are the main source of wind energy, for example.

Currently, wind turbines have to be switched off by grid operators on some windy days because the transmission networks can't cope with the high power input.

In addition to upgrades and new north-south high voltage lines, sizeable investment will also be required to connect planned offshore wind farms to the onshore grid, they said, without providing a specific cost estimate for the latter.

Analysts have estimated that those connections are likely to cost another €10 billion.

The operators' report will provide the basis for the government's own plan to revamp the grid, due later this year. Chancellor Angela Merkel conceded Saturday that progress on many projects is lagging, saying she wants to find out "what can be done politically to speed things up and also get investors involved more strongly."

Wind, solar and other renewable energy sources currently account for some 20 percent of Germany's electricity production and are set to produce a third of it within a decade, reaching 80 percent by 2050.

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Germany switched off permanently the eight oldest of its 17 nuclear reactors last year, just after the Fukushima disaster. The country was still a net exporter of electricity in 2011, and its greenhouse gas emissions decreased 2 percent last year from 2010 despite its increased reliance on coal- and gas-fired plants.

Subsidies and investment incentives for renewable energies and technical adjustments resulting from the energy switchover are mostly financed through a special tax on electricity prices paid for by all households — adding up to roughly €157 (\$197) per year for a typical family of four.

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