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Bidding closes in first tendering process for coal phase-out

The Bundesnetzagentur has received bids in the first tendering process to reduce the production of electricity from coal. The tenders are to be awarded by 1 December 2020.

Assessment of bids

The Bundesnetzagentur will first check if the bids are eligible by looking at, among other things, the information provided on the plants' carbon dioxide (CO2) emissions. If the tendering process is oversubscribed, these emissions will be one of the factors used to determine which power plants are granted a tender. Priority will be given to the tenderers demanding the lowest sum per tonne of CO2 avoided.

Award of tenders

The Bundesnetzagentur will award the tenders by 1 December 2020 and will publish this information on its website in early December. The award procedure is subject to state aid approval from the European Commission, which has not yet been granted.

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The Bundesnetzagentur will not provide details of the bids received during the process of examining them and awarding the tenders, as they concern business and trade secrets of the plant operators. Aggregated figures will not be published either, since conclusions on individual bids might be inferred from them and competition in subsequent bidding rounds could be harmed.

Background to the tendering process

A total of 4,000 MW of capacity was put out to tender for reduction in this round with a maximum bid of €165,000 per megawatt set by law. Plants located in the "southern region" - the area of Germany roughly south of the river Main - were excluded from participating in this tendering process.

The next round will start on 4 January 2021.

More information on the tendering process may be found at www.bundesnetzagentur.de/kohleausschreibung20-1.

The Bundesnetzagentur is an authority under the responsibility of the Federal Ministry for Economic Affairs and Energy. Its core tasks include supervising the energy, telecommunications, postal and railway markets.

As part of its mandate, the Bundesnetzagentur ensures that as many undertakings as possible can use the infrastructure in these sectors so that consumers benefit from competition and favourable prices.

The authority employs over 2,900 people at its headquarters in Bonn and Mainz and its 46 regional offices.