

Press Release

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Government resolution on German Renewable Energy Law (EEG): The volume related depression adjustment is to continue; the own-consumption regulation will be limited and restricted to 100 kW. The committees of the Federal Council are meeting in the next days.

The German government presented an amendment to the EEG prior to the industry trade fair, Intersolar Europe. This sees the government holding on to restrictions in installed capacity in the form of a "breathing cap" as well the half yearly depression. The own-consumption regulation is to be limited and restricted to 100kW systems. Market experts showed a reserved reaction and demand improvements be made to self-consumption regulations. This would swiftly make photovoltaic more net compatible, more consumer-friendly and better value for money in the long-term.

Bonn. The EEG resolution presented by the government on Monday, 6 June 2011, sees the government continue with a reduction in solar funding and holding on to restrictions regarding newly installed PV systems by means of a "breathing cap". The half yearly adjustment to depression, linked to the amount of newly installed capacity is also being maintained in the resolution according to § 20a. This week the committees of the Federal Council are dealing with the draft and in reference to additional reductions also pointed out the importance of "political reliability and good faith" for the branch. This cannot be endangered by introducing further depression at an even faster rate. Signs of significant uncertainty on the market were already apparent in the first half of 2011.

At the start of 2012, incentives are as planned to be cut by 9 percent, subject to the total installed capacity up to 20 September of the previous year. Should the number of systems registered by then top 3.5 Gigawatt (GW), the percentage rate is to be increased by a further 3 percentage points. With each additional GW, to the ceiling of 7.5 GW, reductions will be made in steps of 3 % to the maximum depression of an additional 15 percent for a total installed capacity of 7.5 GW. The aim here is to adjust the level of feed-in-tariffs downward in line with developments made in technology and production.

Strengthen Own-Consumption Regulation: „Net compatible, consumer-friendly and at a reasonable price“.

The political signal sent by the newly adjusted law has been evaluated positively by the solar market experts at EuPD Research. However, some room for improvement is needed in its implementation. "Germany is facing a central and trend-setting restructure of its entire energy supply," comments Markus A.W. Hoehner, CEO of the market research and consulting firm EuPD research, "A holistic energy concept taking all energy forms into consideration is needed. However, improvement needs to be

made regarding net compatibility, the development of electricity prices and the potential for technical innovation.”

Now as the tide is turning against nuclear power, consensus on this issue of a political and societal nature is greater since the Fukushima incident, the time has come for a consistent expansion of renewable energies. The resolution sets ambitious but trend-setting framework conditions says EuPD Research. “The demand and need for alternative energy forms is now greater than ever” says Markus A.W. Hoehner, CEO of the market research and consulting firm EuPD Research. Agreeing with solar associations and branch analysts on the point of strengthening own-consumption regulations, market experts see potential to make solar electricity more net compatible, consumer friendly and better value for money in the long term.

The restrictions suggested in § 33 paragraph 2 for own-consumption in systems up to maximum 100 kW (previously 500 kW), and the time limitation on the own-consumption bonus up to 01.01.2014 are not setting the right incentives to innovate. In the future, remuneration for own-consumption will be uniformly reduced by 16.38 cent per kWh. Investment security and innovative power have to be strengthened further in Germany. Enormous potential for German exports can be found particularly in the research and development of new decentralized system applications, according to the CEO.

Indeed the German solar industry with over 150,000 employees is a job engine in a growth industry which guarantees Germany a competitive edge, also on a global scale, in the race for technological leadership in renewable energies. With a tax contribution of around 1.5 billion Euros (2010), the industry is making a sustainable contribution to securing the economic effectiveness of Germany.

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