

Germany eyes swift cuts in renewable energy subsidies

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Sun rays over a wind and a solar hybrid park on Pellworm island, northern Germany on August 9, 2013

Germany's new energy minister has outlined cuts in subsidies to producers of renewable energy as the country wrestles with soaring costs from its nuclear power exit, according to a document obtained by AFP Sunday.

Opposition MPs and the solar energy sector have already criticised the reforms due to be discussed by conservative Chancellor Angela Merkel's new "grand coalition" cabinet with the Social Democrats next week.

Merkel took the surprise decision in 2011 to scrap nuclear power for renewables in the wake of the Fukushima disaster but has faced pressure over how to pay for the [clean energy](#) drive.

Generous state incentives for solar, wind and biogas that have driven up prices, now among Europe's highest, would be trimmed from this year under Energy Minister Sigmar Gabriel's much-anticipated proposals.

Gabriel, a Social Democrat who is Merkel's vice chancellor and also economy minister, is mulling a new law encapsulating the energy changes that would take effect from August 1.

Speaking on ZDF public television, he sought to dampen any consumer hopes that the proposals would lead to a reduction in [electricity prices](#), according to early excerpts of the interview to be broadcast Sunday.

"Falling electricity prices there will not be, but we will finally put the brakes on the increase," Gabriel told the "Berlin Direkt" programme.



Cooling towers of E.ON's coal-fired power plant at Scholven in Gelsenkirchen, western Germany, on January 16, 2012

Subsidies for new producers of [wind energy](#) would be reduced while those for biogas would practically disappear.

Producers would also gradually be forced to sell green energy competitively on the market from next year rather than enjoying priority treatment with guaranteed prices.

Europe's top economy aims to have 80 percent of its electricity consumption sourced by renewable forms of energy by 2050, compared with 25 percent currently.

But Greens party leader Simone Peter told Spiegel Online the proposals "endanger" Germany's transition from [nuclear power](#), while the far-left

Linke party's deputy chief Caren Lay said they rolled back the strategy.

And the association representing the solar energy sector expressed concern after being hit by an initial wave of subsidy cuts in 2012.

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