



## Important considerations for developing a support scheme

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# Important Considerations for Developing a Support Scheme

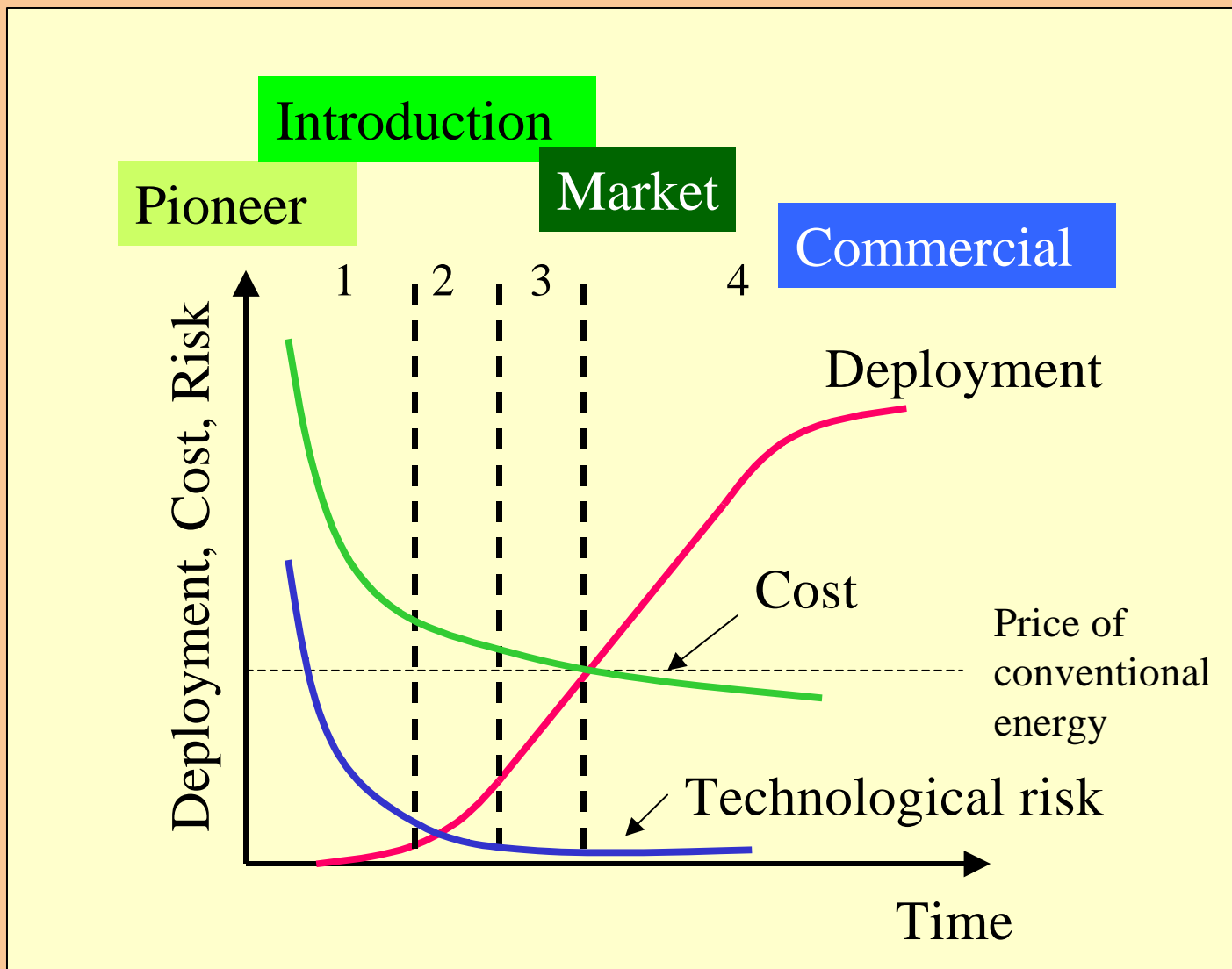
- Renewables are very different in kind
  - Size
  - Intermittence
  - Investments
  - Marginal costs
  - Maturity



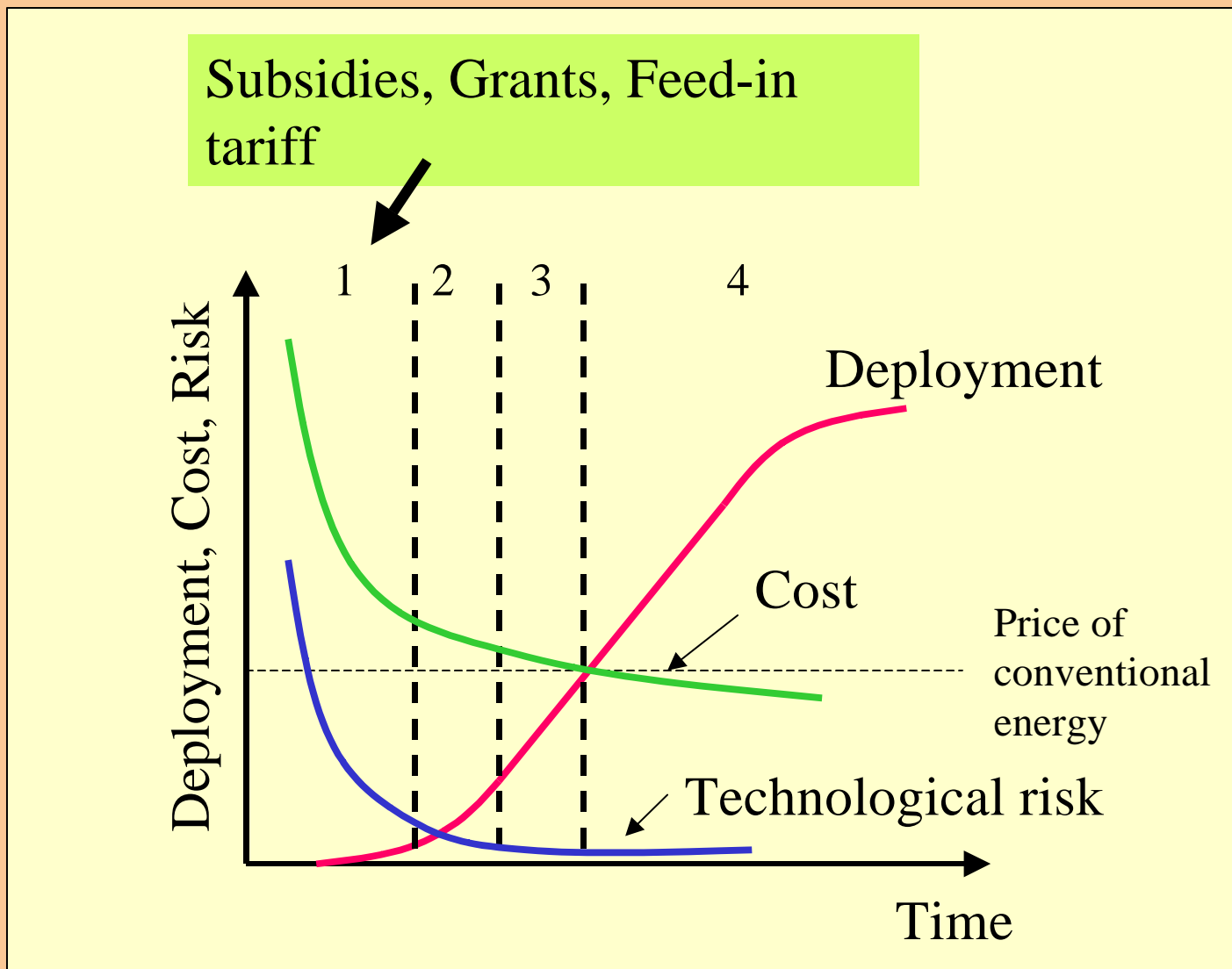
# Four Requirements to a Support Scheme

- Promote the development of renewables
  - Effective development of renewables
- Be attractive to entrepreneurs and developers
  - Implying a low risk and thus the lowest cost for society
- Be efficient in driving down the costs of new renewable technologies
  - Encourage competition among manufacturers
- Facilitate the transition to full commercialisation
  - Ease the introduction into liberalised energy markets

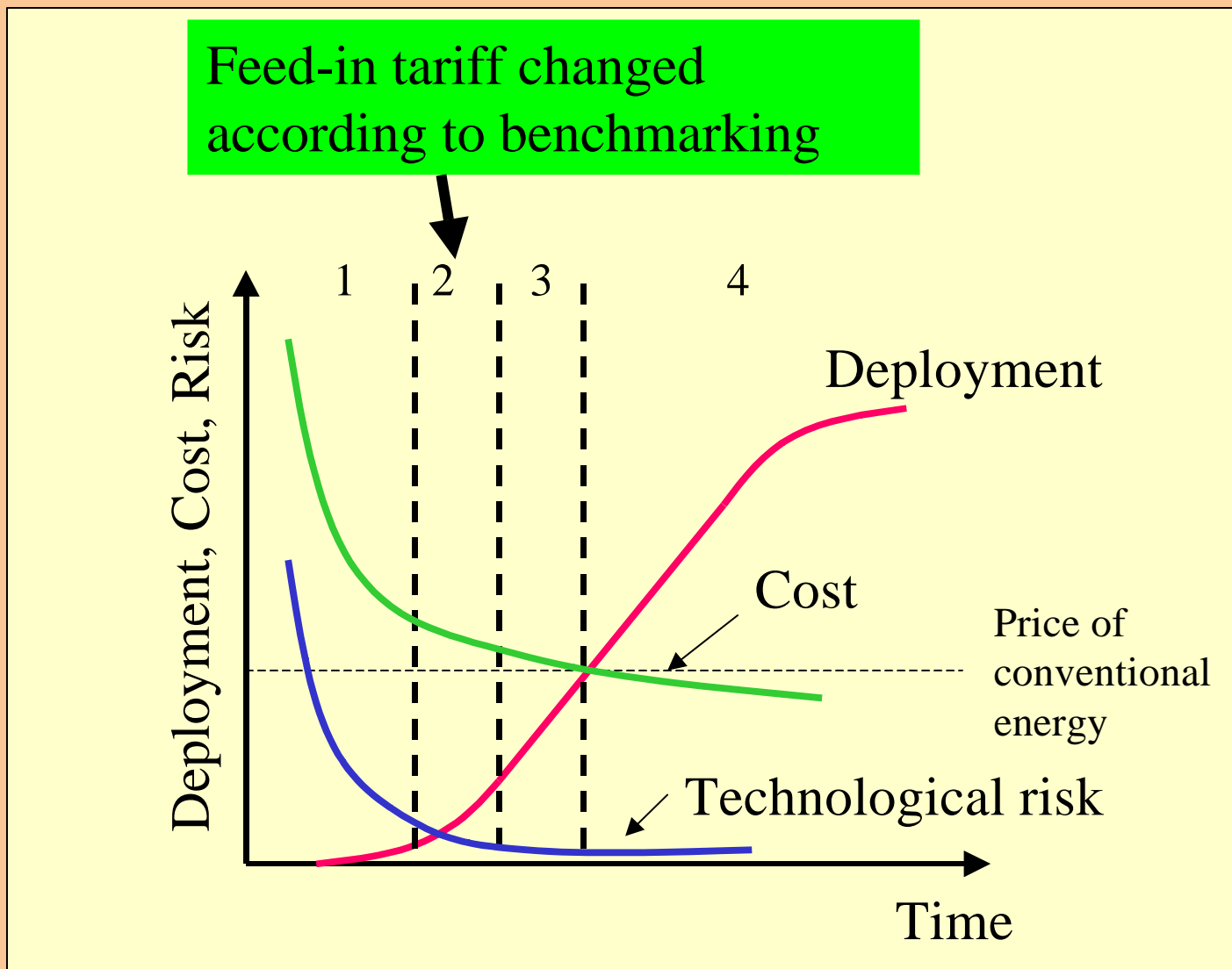
# The Four Phases of Market Penetration



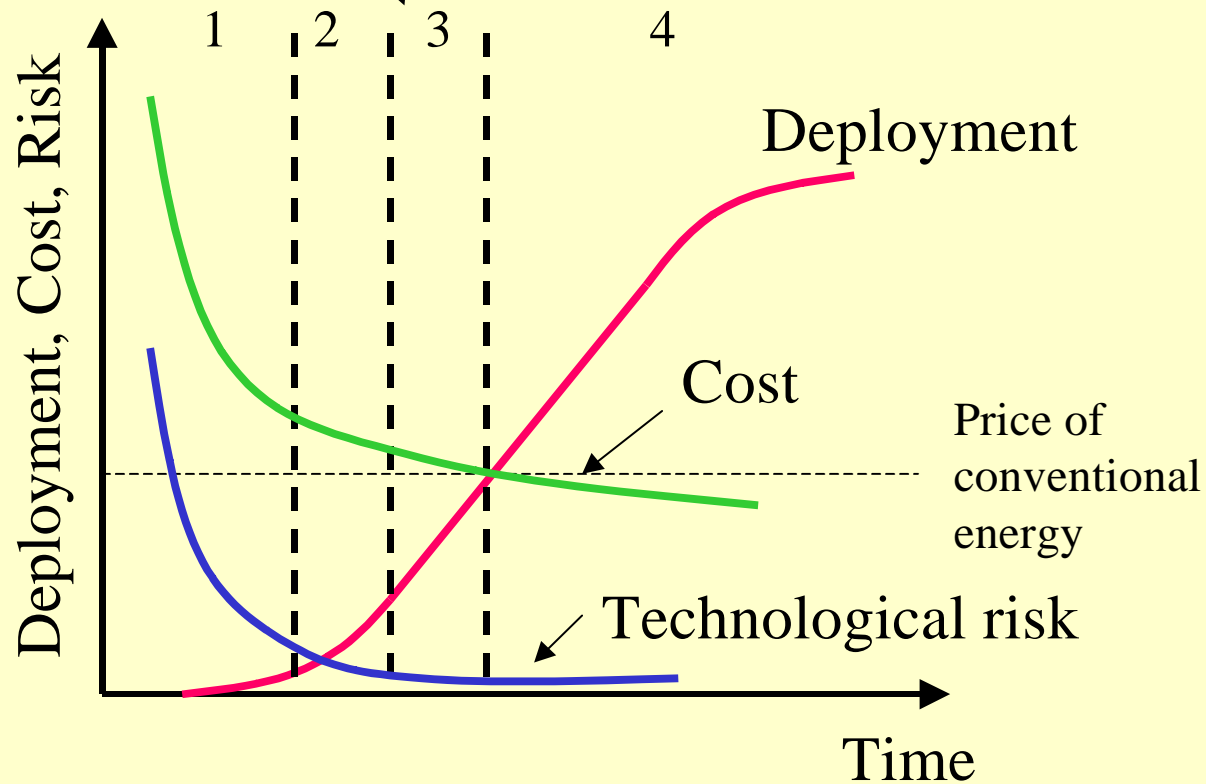
# The Pioneer Phase



# The Introduction Phase



Differentiated feed-in gradually changed to spot price plus premium (benchmarking)



# The Consequences for the Spot Power Price of a High Share of Prioritised Production of Wind Power

