

# 15,000 requests for the 100,000 Roofs Program are waiting for a budget

At the end of March the Kreditanstalt für Wiederaufbau (KfW) – the institute responsible for administering the 100,000 Roofs Program – received up to 1,000 requests a day for zero interest loans for PV systems.

The reason was simple. As of April 1 the new Renewable Energy Law (REL) was expected to take effect and the ministry of economy wanted to rework the conditions of the 100,000 Roofs Program. Requests reaching the KfW by midnight, March 31, however, could get the at-that-time valid 100,000 Roofs Program conditions: a zero interest loan for the complete costs of the PV system with only 87.5 percent required to be paid back.

Since it was expected that the new conditions would become less favorable, an estimated 10,000 requests reached the KfW in March alone. Time to stop that run, was the reaction of the ministry of economy at the beginning of April, which applied the emergency break after granting March's request #4,779. If and when the still pending requests – all promised by the KfW to get the old, better conditions – will be decided and under what conditions is, at the end of April, still not clear. The politicians who had to pay the bill for the many March requests became nervous. And while many PV companies in Germany are smelling the stench of a real market with a volume of 40 to 100 megawatts a year, a spokesperson from the ministry of economy is referring to the boom as a catastrophe. »We are facing a heap of rubble. The decision to guarantee the old conditions until the end of March was the root of evil,« says Klaus Glasmacher of the ministry of economy.

What the PV industry judges as a great success is for the ministries of economy and finance a problem. One hundred and eighty million DM (\$90 million USD) are foreseen as government expenditures within the household of the years 1999 and 2000 for the 100,000 Roofs Program.

---

An overwhelming run on Germany's zero interest loans for PV systems is inspired by the new REL conditions

---

Eighteen megawatts were expected to be requested in 1999, the first year of the program, and 27 in 2000. The 300 megawatts should be reached by the end of 2004, not earlier. But while during last year only half of the goal was reached (see PI 1-2000, p. 13), the KfW reached 34.9 megawatts in grants for the program by the end of this March. That means that during the first three months of this year, three times more systems were financed than last year (around 25 megawatts worth).

And when this figure was reached at the end of March, packs of unread requests were waiting to be granted: approximately 10,000. With an expected average size of a minimum of three kilowatts, this would be 30 MW to be financed. If the average system size reached five kilowatts, 50 MW were waiting to be financed. And this was too much for the ministry. On April 3, the Monday after the REL took effect, a directive from the ministry of economy prohibited the KfW from granting any further requests until the ministry had decided new conditions. That directive would also be valid for those thousands of uncounted requests that came in before midnight on March 31, for which the senders trusted the guarantee.

»Yes, we gave that guarantee,« remember employees of the KfW clearly when asked. But nevertheless the ministry didn't allow the KfW to fulfill their guarantee any longer. »We are now the bad guys,« says one employee at the KfW who wanted to remain anonymous. And maybe in the future, the poor guys as well. Lawyers representing disappointed credit seekers have now sent letters to the KfW, insisting on the given guarantees for their clients. The ministry was so frightened by the large number of requests – up to the end of April it is estimated that roughly

15,000 unanswered requests were lying on the desktops of KfW employees – that they made no decision until the end of April on what the new 100,000 Roofs conditions would look like.

Of course the 100,000 Roofs Program is limited to 300 MW. But the money allocated from the federal budget of last year and this year is only enough to finance last year's 18 MW and 27 MW for this year. With the 15,000 requests waiting at the end of April, 100 MW could easily be reached. And the program could be over by the end of this year, fears the ministry. That would mean that the budget would have to be redone – a thing which the ministry of finance is strictly opposed to. But if the money is sufficient only for 45 MW by end of this year, almost none of the waiting requests could be given a positive answer this year. This would result in a horrifying stop and go situation, with people waiting until January 2001, for the next requests to be granted. This is a familiar situation in the German PV industry because of the numerous state subsidy programs normally having money for only a few weeks or months.

Not having the megawatts strictly limited by year – the figures for the single years have been only estimated values, not limits given by the program conditions – is now seen as a mistake made by the ministry. On the other hand, especially among the Green Party and the Social Democrats, the belief is that stop and go would be worse than no program. The situation is not easy to solve and the different groups have been discussing what to do now for more than six weeks. The next date for discussion is the tenth of May. Glasmacher hopes that after that meeting his bureau will present the new conditions. »But,« he says, »I guarantee nothing.«

Anne Kreutzmann