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Germany Smart Grid: Market Forecast (2016 – 2026)

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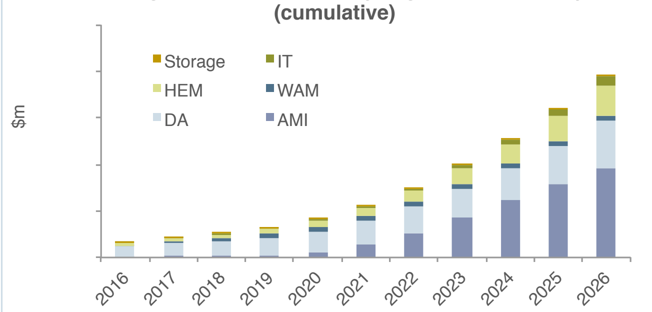
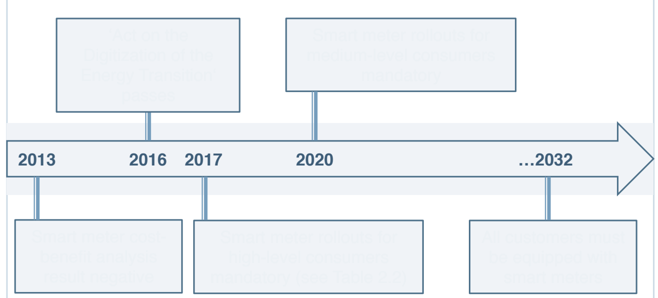
Germany's smart grid market is driven by the country's *Energiewende*, a long-term transition to a low-carbon, low-consumption energy economy. Renewable energy generation and energy efficiency are the twin pillars of the Energiewende. The transition has focused primarily on renewable energy growth, but that will change following key smart meter legislation passed in July 2016. Smart meter rollouts will begin in 2017 in a staggered approach, with select customer classes (C&I, generating plants, and new buildings) being equipped with AMI. The far more substantial residential market will see large-scale rollouts begin in the 2020s. Germany is targeting a full rollout by 2032, but Northeast Group forecasts that it will reach this level sooner. Rollouts should be rapid due to an efficient power sector and popular support for *Energiewende*.

Smart grid market forecast by segment in Germany (cumulative)



Source: Northeast Group

Timeline of metering plans



Source: German Federal Ministry for Economic Affairs and Energy

Regional drivers are key to the German market, as the *Energiewende* is informed by European Union directives to increase smart grid capabilities. Germany has made limited progress on these directives through 2016 due to the complexities of its power market as well as some of the world's most stringent data security standards for smart grid infrastructure. In passing key smart meter legislation in 2016, Germany is poised to make up significant ground. As the share of renewable and distributed energy resources grows larger, Germany will become increasingly dependent on continued investment in smart grid infrastructure.

Key questions answered in this study:

- How will new regulations jump-start Germany's lagging smart meter market?
- How large will the various smart grid market segments in Germany be over the next ten years?
- What programs are the different utilities in Germany planning following the new regulations?
- Who are the leading vendors and which ones are well placed to compete for this growing market?

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