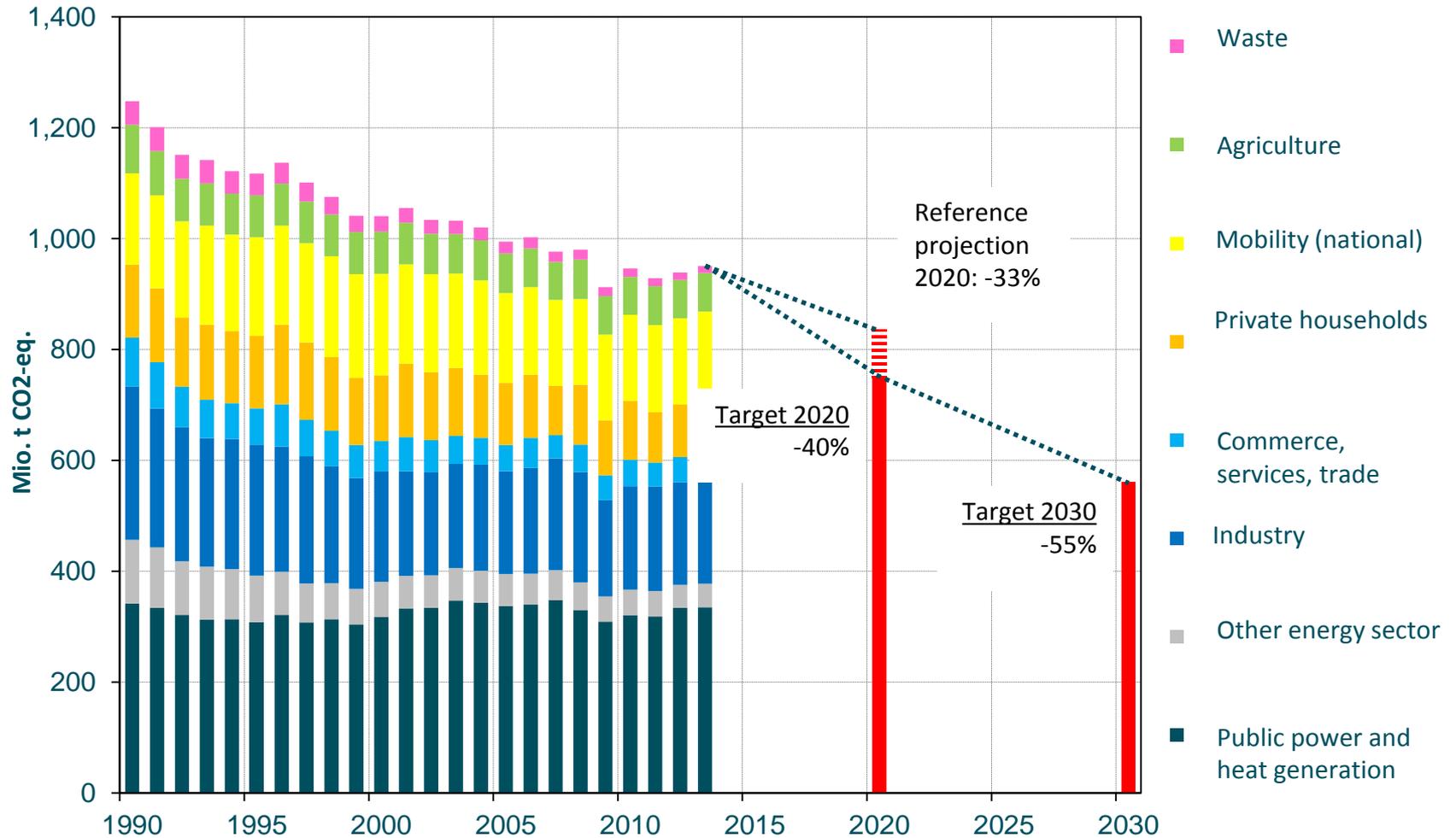


Meeting 04/11/2016

STRATEGIC CHALLENGES FOR GERMAN (AND EUROPEAN) CLIMATE POLICIES

Contact: martin.rocholl@europeanclimate.org

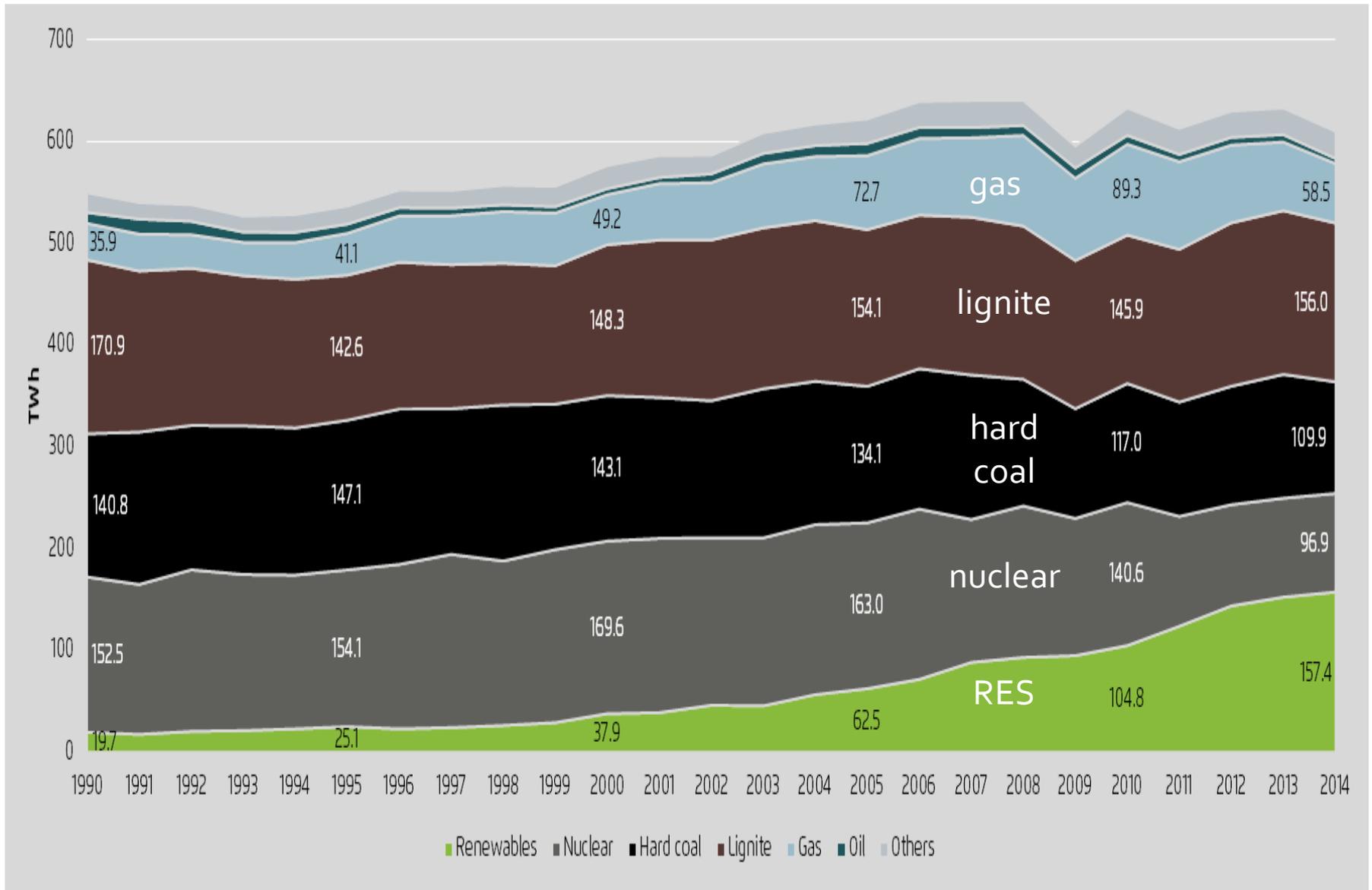
GHG emissions in Germany



German Policy Targets

	GHG emissions (base year 1990)	Renewables in electricity	Nuclear power (base year 2010)	Energy Eff. Primary Energy (base year 2008)
2020	-40%	30%	-60%	-20%
2030	-55%	50%	-100% (by 2022)	
2040	-70%	65%	-	
2050	-80% to -95%	80%	-	-50%

Power generation – lignite remains strong



Dilemma/Challenge 1

Perception: “The Energiewende is expensive and does not lead to relevant CO2-reductions!”

Reasons:

- **Driving down the learning curves**
(The costs of renewables are much lower today than in the beginning – e.g. wind in Germany is by now equally expensive than new coal. But consumers still pay for the relatively high feed-in-tariffs for renewables, which were guaranteed in the beginning and which enabled the boom, which then resulted in the cost-reduction.)
- **Missing carbon price (EU Emission Trading System not creating an adequate price)**
- **Dysfunctional energy only market**
- **Renewables are overcompensating the nuclear phase out. However, existing coal has been driving out gas (because it is cheaper) and electricity exports are high. This has resulted in little or no CO2-reduction.**

Goals and Options of a German Coal Strategy

Goals:

- Coal phase-out in line with GHG targets and Paris agreement
- Fast shutdown of oldest and dirtiest plants (now - 2025)

Options:

1. Commonly agreed **consensus** between all relevant stakeholders (established by a formal commission)
2. **Coal phase-out law** by the new government based on consultations with stakeholders
3. **Fighting coal plant by plant.**



Phasing out coal in Germany

- Increasing public pressure and extending the anti-coal coalition (trade-unions)
- Using litigation against old and new power plants and open mining
- Improving economic expertise
- Successfully managing regional economic transformation
- Re-framing the Energie-wende in terms of innovation and competitiveness



Geplante Kraftwerke. Mehr Informationen zu den Standorten und Adressen von Initiativen gegen diese Pläne unter www.bund.net/klimaschutz



Planned and stopped coal power plants in Germany.

Phase one of the coal-campaign (2007-2015): *Avoid lock-in by stopping new coal.*

Stopped: 26
Build: 8
Still planned: 3

- Steinkohle-kraftwerk (Leistung in MW)
- Braunkohle-kraftwerk (Leistung in MW)
- Hier wurde ein Kohlekraftwerk verhindert.
- Hier stehen die Neubau-Pläne vor dem Aus.

Mobilization against lignite, May 2015



Shaping the anti-coal movement

13.500 people protest against open lignite pits in Rhineland and Lausatia region (D-PL action together with initiatives from Poland)





'Ende Gelände' – symbolic occupation of an open lignite mine in the Lausitz region, 2016



Strengthen innovation to align decarbonisation and competitiveness

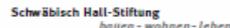
Paris Climate Agreement Business Declaration

Paris is the global decarbonisation turning point

Supported by



35 Signatory Companies



We, a collection of companies from various economic sectors, supported by business and civil society associations, are pleased that an agreement has been reached in Paris not only to limit global warming to well below 2° C but to pursue efforts to limit temperature rise to 1.5° C. We welcome the greenhouse gas neutrality target of the world economy, to be reached in the second half of the century. We also welcome the fact that all countries should strive to present long-term low emission development strategies.

The conference in Paris has impressively confirmed the growing international consensus that was last demonstrated at the 2015 G7 summit in Germany. Governments around the world are now serious about taking decisive action well before the end of the century to phase out fossil fuels in accordance with the findings of climate science. We welcome the clear commitment made by large industrial countries to undertake the necessary transformation of their energy systems by the middle of the century. This undertaking is now more feasible than ever thanks to declining costs for renewable energy and energy efficiency technologies.

We see clear signs of a new trend toward a global energy transition. Renewable energy has accounted for more than half of all worldwide investment in the electricity sector in recent years. Globally, energy-related CO2 emissions are stagnant. The gradual decarbonization of the global economy is not longer a vision for the future, but is taking place now. Paris marks a crucial turning point.

We are well aware of our responsibility as companies and we are ready to do our part to limit the global temperature increase to 2° C. We are committed to acting as pioneers in this new global transition. Therefore, we expect German and EU policymakers to provide a clear, long-term, and ambitious regulatory framework for this transition. At the international level, we hope to see that the countries of the world progressively commit to emission reduction pathways in accordance with the findings of the IPCC, as agreed in Paris.

Germany and the EU must lay the political and regulatory groundwork that allows decarbonisation to be both economically successful as well as socially equitable. Policymakers must create a solid foundation to support the trend towards green investment and lower CO2 emissions. Specifically, we call on policymakers to take the following actions:

1. ... to develop a strategy to ensure that Germany's energy and emissions targets for 2020 can be met in all sectors.
2. ... to adopt an ambitious Climate Action Plan for 2050 in accordance with the national energy and emissions goals set forth in the German government's Energy Concept for 2030, 2040, and 2050. This Climate Action Plan should seek to achieve emissions reductions by 2050 in line with the upper edge of the 80–95% reduction target corridor. The development of this plan should commence without delay in collaboration with all impacted stakeholders.
3. ... to undertake a more comprehensive reform of the European Emissions Trading System (ETS) in order to trigger a CO2 price signal that is relevant for investment decisions. The ETS must be ambitiously designed so that it ensures emissions reductions in the sectors it covers that are consistent with Germany's targets for 2030, 2040, and 2050. It must also ensure a cost-effective pathway toward a 95% emissions reduction in the EU ETS by 2050.
4. ... to make more rapid progress in adopting and implementing the legal framework that promotes energy efficiency. Policymakers should pursue an energy savings target of 40% by 2030, as proposed by the European Parliament.
5. ... to create a political and financial framework for comprehensive change in the transportation sector, including a 95% greenhouse gas reduction goal in comparison to 1990 by 2050. In this regard, a key role must be played by the expansion of rail networks and the adoption of electric vehicles, in connection with an intelligent integration with energy systems.
6. ... to initiate a process for increasing the EU's energy and emissions reduction targets for 2030. The Paris climate summit has laid the groundwork for this to take place, not least with the call for climate targets to be reviewed and enhanced every five years. The necessary foundation for this process is a regulatory framework that enables investments to be made in future-oriented energy and transportation systems.

Challenge 2: Energy efficiency is not in the center!

- #effizienzwende: creating new alliances.
- Introducing new measures beyond the National Action Plan on Energy Efficiency
- Scaling up investment in energy efficiency
- Commissioning a roadmap for an optimized 2050 heat pathway
- Facilitating German support for EU efficiency legislation



Challenge 3: little progress on transport

- Ensuring ambitious CO2 standards for light and heavy duty vehicles (cars and trucks)
- Building consensus in industry and amongst consumers for high-efficient cars
- Agora Verkehrswende: fostering consensus on the transport transition!



ANNEX:

Proposal of Agroa Energiewende for a coal phase out

1. Hold a National Coal Consensus **Roundtable**
2. Incremental, legally anchored **phase out** of coal power by **2040**
3. No new construction of coal power plants
4. Determine a cost-efficient **decommissioning plan** for existing coal **based on remaining plant lifespans**, including flexibility options in lignite mining regions.

ANNEX:

Proposal of Agroa Energiewende for a coal phase out

5. No **additional national climate policy** (CO₂) for coal power plants beyond the phase-out plan.
6. **No additional lignite mines**, no new relocation procedures for impacted communities.
7. The **follow-up costs** of lignite strip mining should be financed with a special levy on lignite that is still to be mined in the future.
8. Creation **of Structural Fund** to actively steer and ensure a sound financial basis for structural change related to the coal phase out.

ANNEX:

Proposal of ‚Agora Energiewende‘ for a coal phase out

8. Ensuring **security of supply** over the entire transformation period (capacity/reserve).
9. Strengthening **EU Emission Trading** and the prompt retirement of CO₂ certificates that become free during the coal phase-out.
10. Ensuring the **economic competitiveness of energy-intensive companies** and the German economy as a whole.

Phase-out pathways (by Agora Energiewende)

Installierte Kapazität im vorgeschlagenen Kohlekonsenspfad 2040

Abbildung 4

