

The German transition towards a high renewable energy share - a socio-technical challenge

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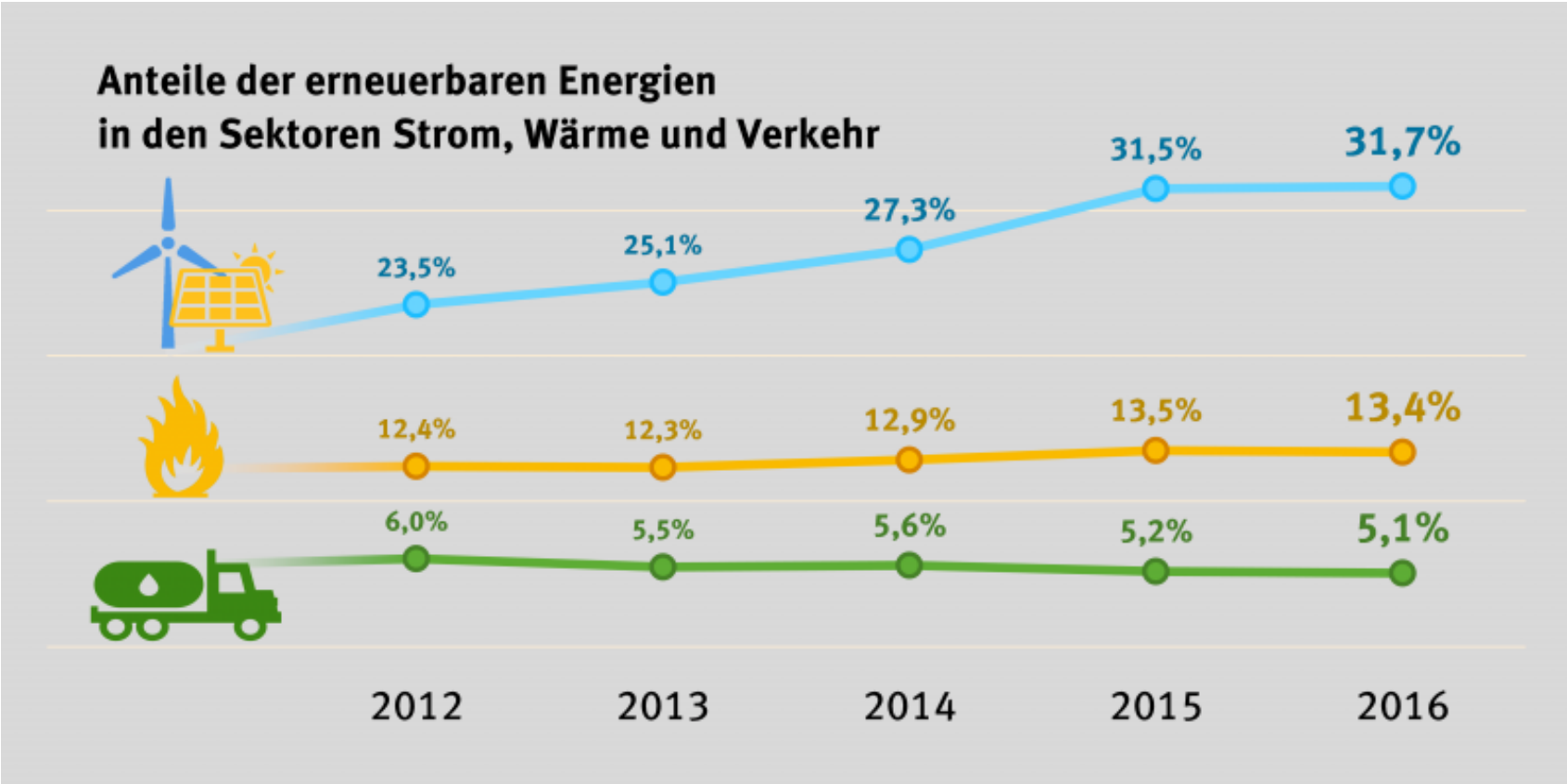


„Energiewende“ in Germany

Goals in German climate and energy policy

- nuclear phase out by 2022
 - 80 - 95% reduction of CO₂ emissions by 2050 (compared to 1990)
 - 80% renewable energy share in gross electricity consumption by 2050
[50% by 2030; 65% by 2040]
 - improve of energy efficiency:
Reduction of primary energy consumption of 20% by 2020
and of 50% by 2050 (compared to 2008; NEEAP)
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- **What are the achievements we reached until today?**
 - **What are driving forces and obstacles in the German multi level system?**
 - **What are the main actual challenges for Germany to reach the targets?**

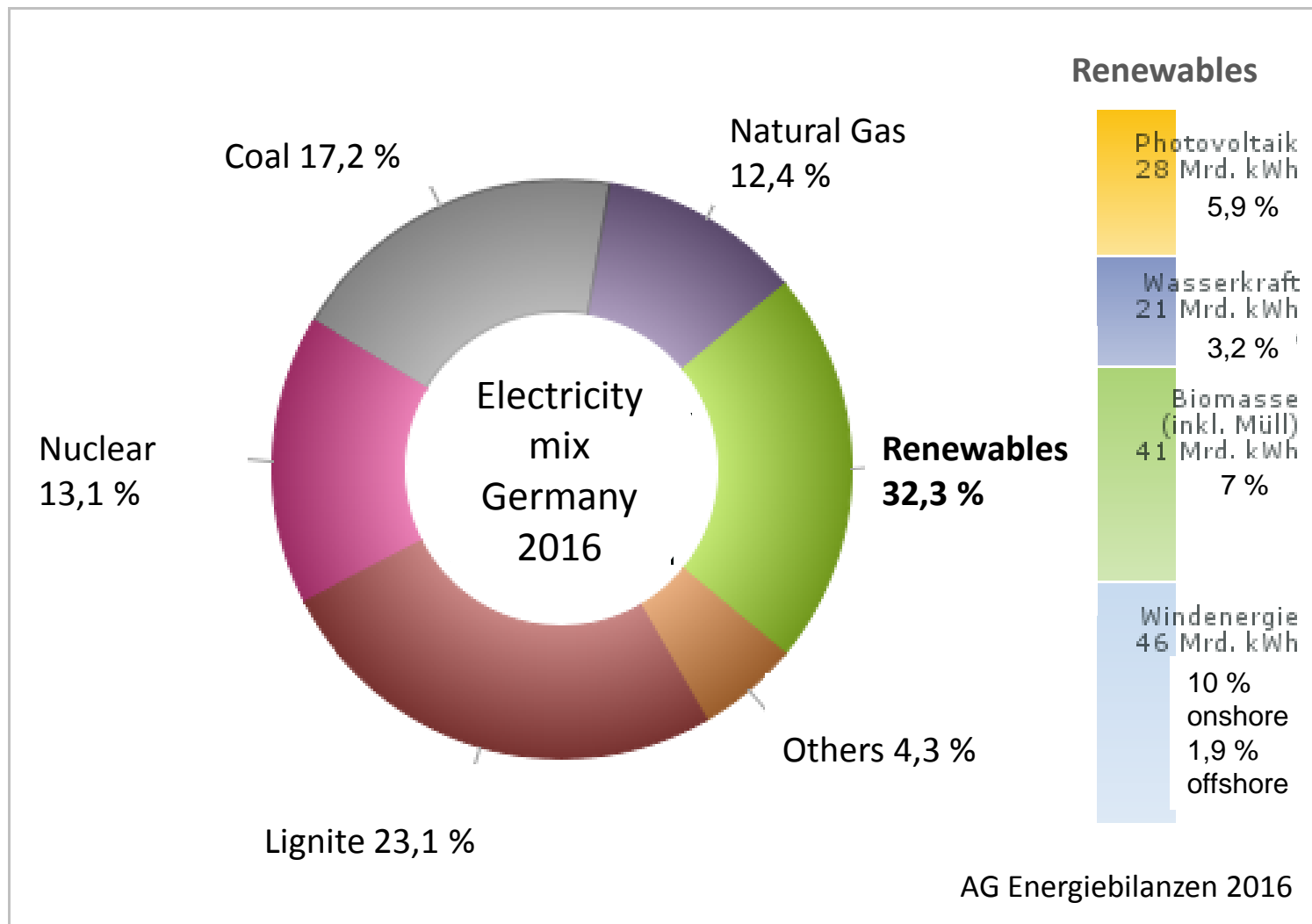
Shares of renewable energy in sectors electricity, heat, transport



Development of renewable shares 2012-2016
Source: AGEE-Stat

Achievements:

Power mix in Germany 2016 (power generation)

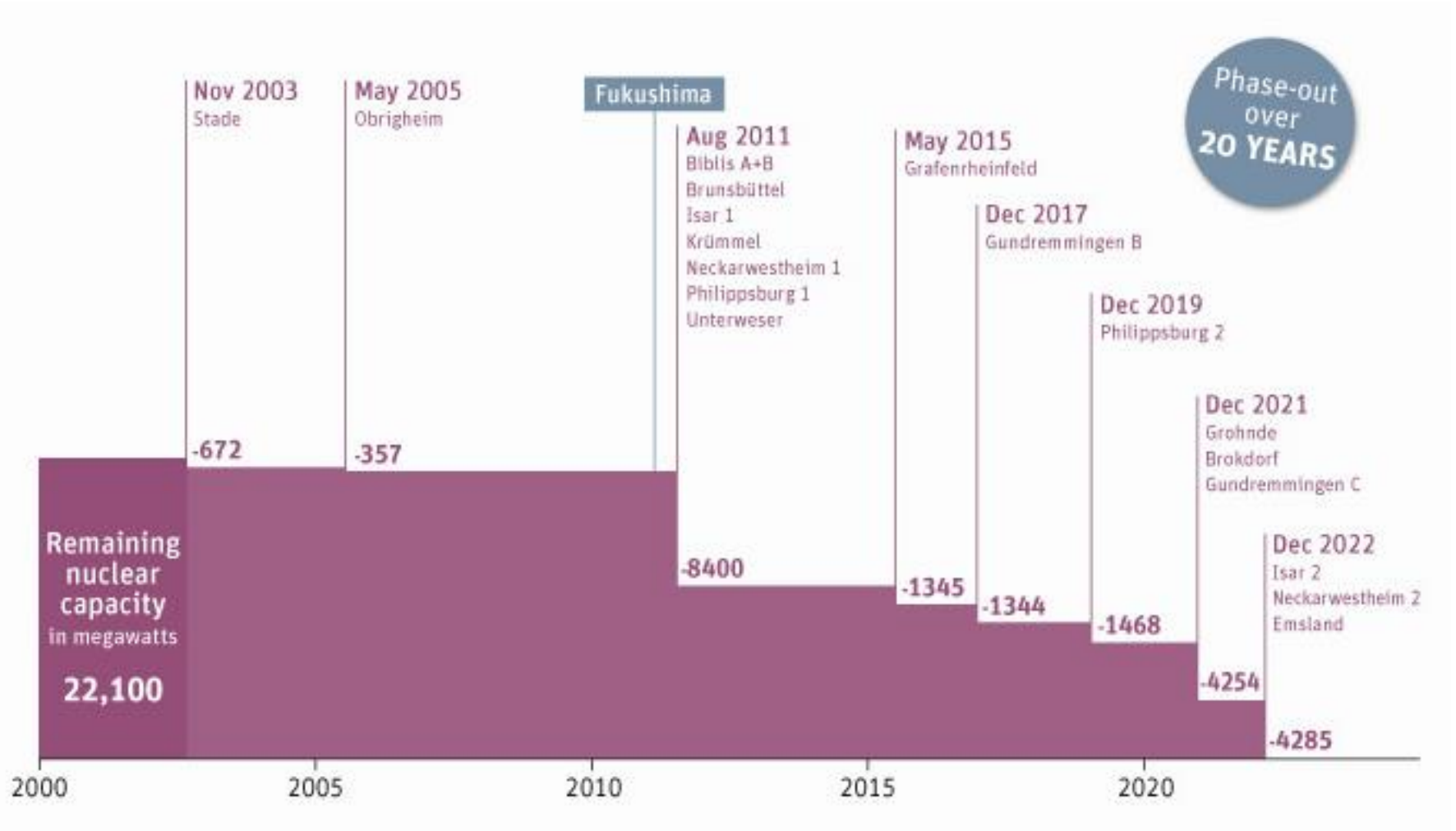


share of electricity from renewables grew from about 6% in 2000 to about 33% in 2016

Achievements:

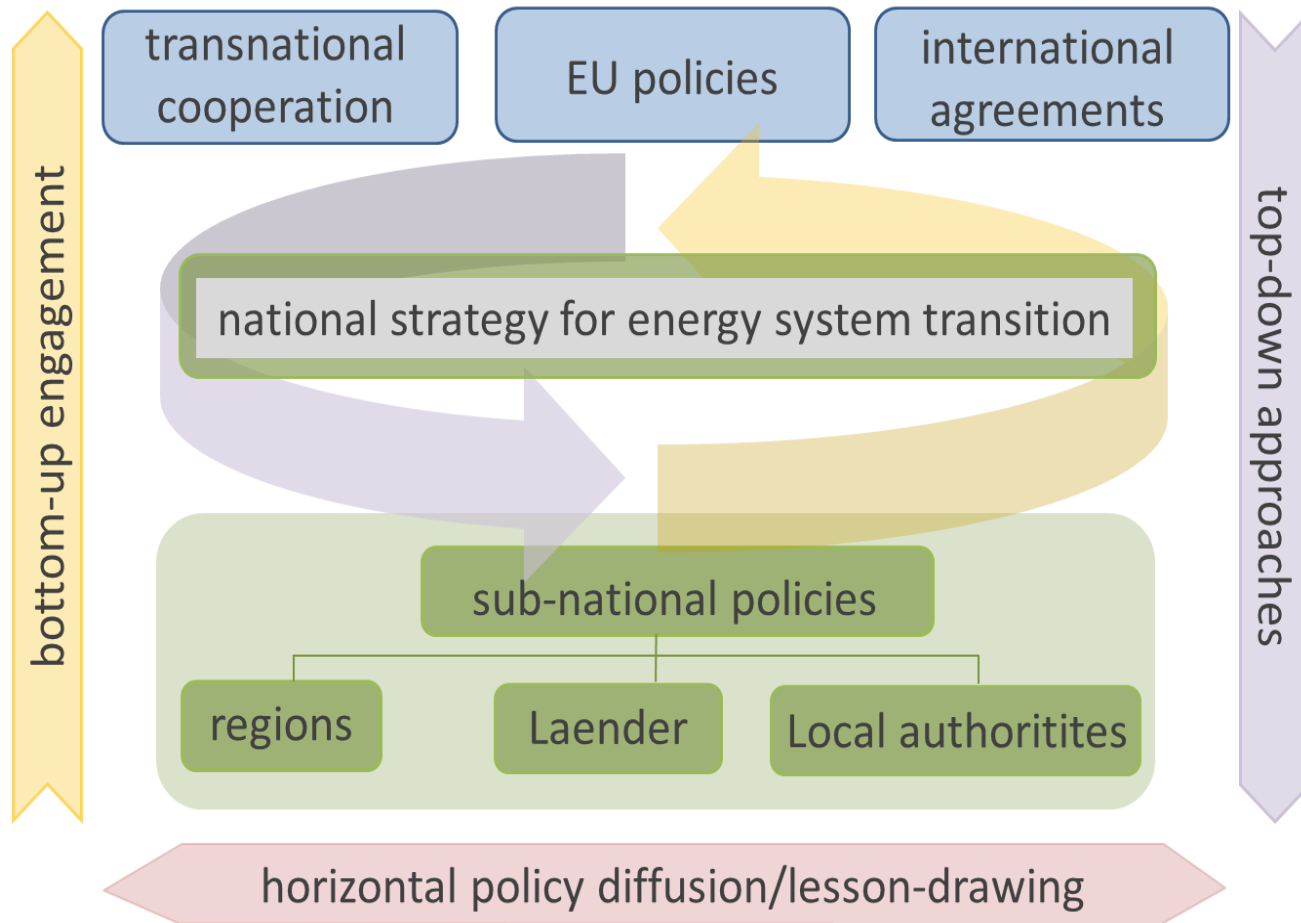
Germany incrementally shuts down nuclear power

Declining installed nuclear capacity in Germany, 2000-2022



Germany is still a net exporter of electricity !

„Energiewende“ on multiple levels



The 'Energiewende' takes place in a multi-level governance system - integration of European, national and subnational energy policies required

Federal Level

Central instrument: Renewable Energy Act (EEG)

- guaranteed access to the grid
- priority feed-in for RES:
grid operators are required by law to purchase renewable power,
- investors in renewables receive sufficient compensation to provide a return on investment - irrespective of electricity prices
-> high level of investment security
- feed-in tariffs are reviewed and the law is amended regularly
- degression brought down costs of RES
- dynamic growth
- copied worldwide

major revision in August 2014: Shift in support system

- auction system -> reduction of feed-in tariffs (aiming at lower costs)
- annual quotas (limited expansion): share of RES should not exceed 35 to 40% by 2020
- mandatory direct marketing

-> risk of a backlash (instable phase) of the development

Strong federal (subnational) states RES policies

state		target
Baden-Württemberg [BW]	GEG	38% by 2020
Bayern [BY]	GEC	50% by 2021
Berlin [B]	GEG	17,8% by 2020
Brandenburg [BB]	GEC	90% by 2020
Bremen [HB]	ns	100% by 2050
Hamburg [HH]	EG	17% by 2020
Hessen [HE]	FEC	100% by 2050
Mecklenburg-Vorpommern [MV]	GEC	100% by 2050
Niedersachsen	GEC	90% by 2020
Nordrhein-Westfalen [NRW] (Wind)	GEG	15% by 2020
Rheinland-Pfalz [RLP]	GEC	100% by 2030
Saarland [SL]	GEC	20-40% by 2020
Sachsen [SN]	GEC	28% by 2022
Sachsen-Anhalt [ST]	GEG	35% by 2020
Schleswig-Holstein [SH]	GEC	300-400% by 2020
Thüringen [TH]	NEC	45% by 2020
Bundesrepublik	GEC	35% by 2020

Expansion Targets for RES in electricity supply

- national aim:
35% by 2020
- states (in total) will provide
ca. 50% by 2020

->exceed national goal !

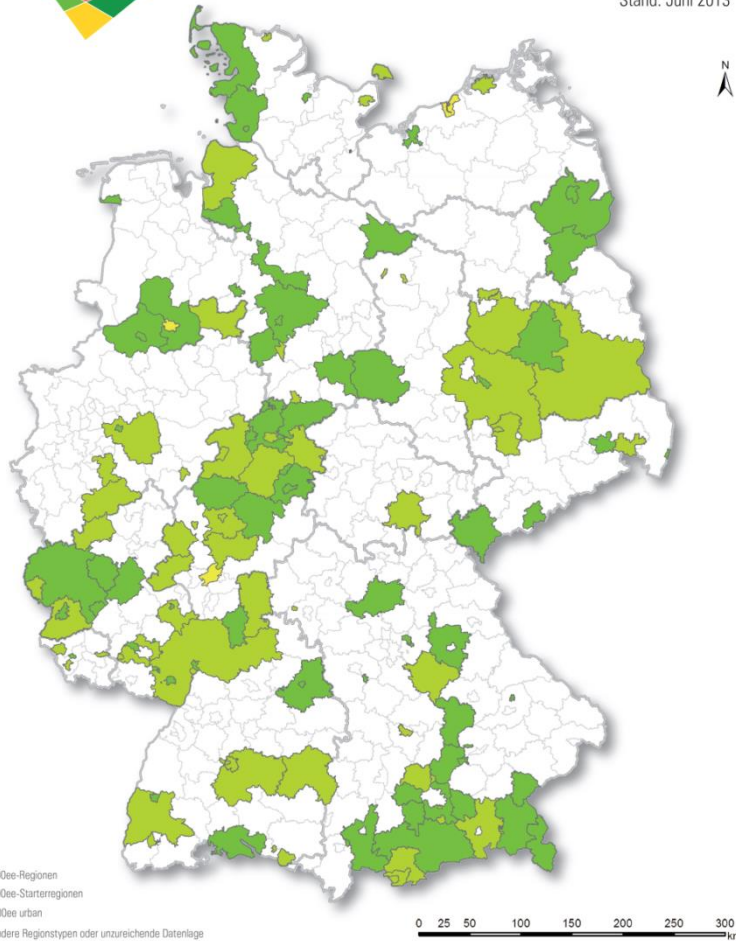
GEC = gross electricity consumption (Bruttostromverbrauch)
 GEG = gross electricity generation (Bruttostromeerzeugung)
 EG = electricity generation (Stromerzeugung)
 FEC = final energy consumption (Endenergieverbrauch)
 NEC = net electricity consumption (Nettostromverbrauch)
 ns = not specified

Bottom-up movements from the regional level



100% Erneuerbare-Energie-Regionen

Stand: Juni 2013



More than 130 municipalities, districts and regions in Germany are pursuing the goal of 100% RE supply - some have already achieved

ERSTELLT VON

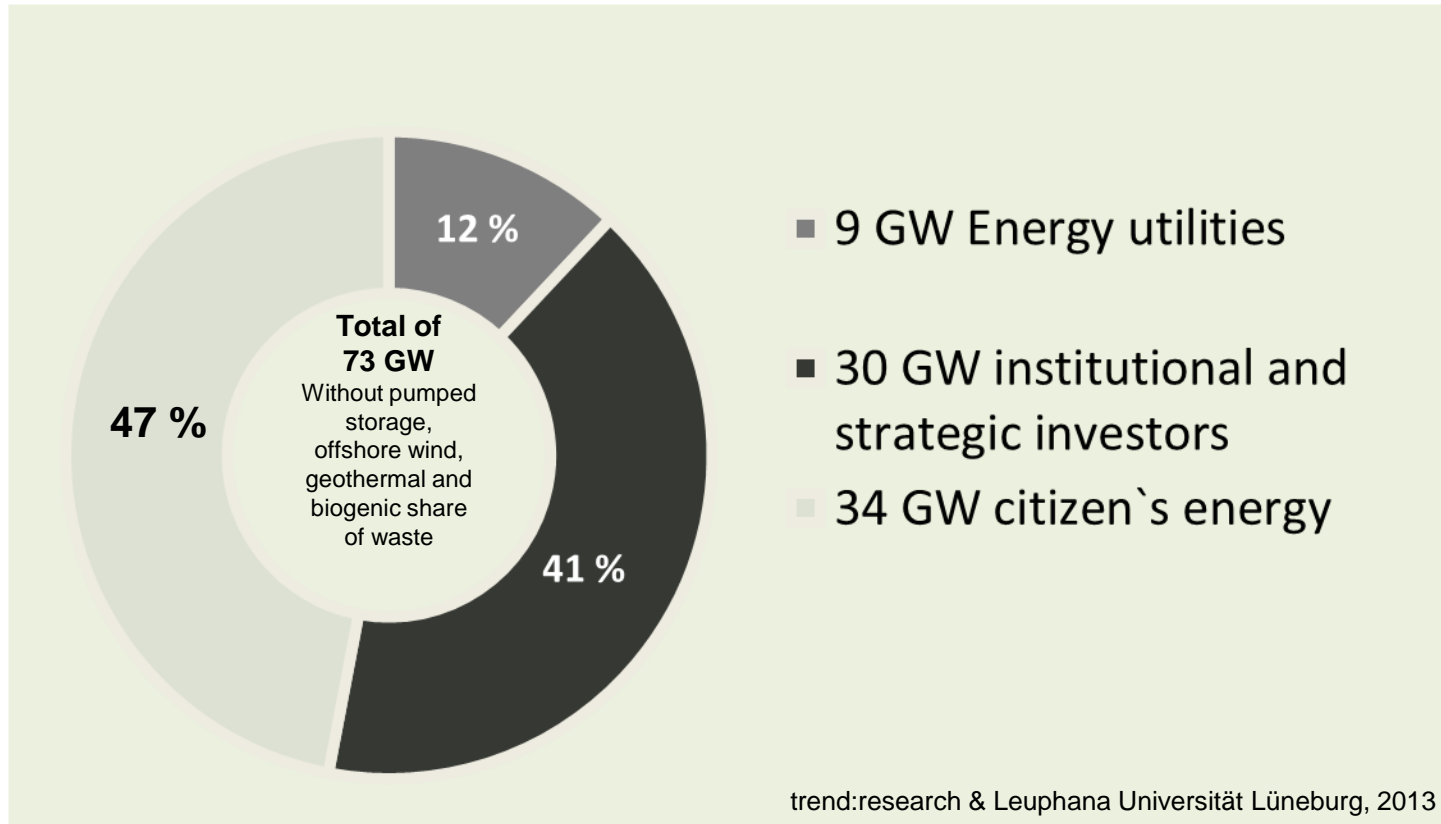
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GEFÖRDERT DURCH

 Bundesministerium
für Umwelt, Naturschutz
und Klimaschutz
aufgrund eines Beschlusses
des Deutschen Bundestages

Installed capacity of renewable energy by owner groups in Germany



Citizen's energy

47% - nearly half - of the renewable electricity generation capacity (except offshore wind) is in the hands of small private investors: individuals, households, farmers, cooperatives, civil law partnerships, citizen initiatives

Auction system as market entry barrier for citizen energy

- for small projects with local character, the shift from feed-in tariffs to the auction system is a challenge
 - participation in tendering procedure requires high operating expenses, is time consuming, complex and costly
 - Citizen energy actors can't spread the risk, have a lower credit rating and no opportunity for interim financing
 - large providers have significant advantages over small ones
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- as a result, public energy investments and the annual start-ups of energy cooperatives have collapsed
 - from 167 (in 2011) to 40 (in 2015)
 - loss of important investor groups

‘Energiewende’ in electricity sector strongly driven from the bottom up

- Active subnational states, regions and communities
- citizen initiatives, cooperatives
- private owners of wind & solar plants
- Democratization and participation

New stakeholder structure, new infrastructure design

- stakeholder structure of the formerly oligopolistic German electricity market has changed significantly during the energy transition process of the last two decades
- System is increasingly decentralized - advantages in terms of resilience, social acceptance, democratic participation, and the development of value added in municipalities and regions
- big energy supply companies (incumbents) have lost high market shares to smaller, heterogeneous actors (challengers)
-> distributive conflicts

Challenges for the future of the 'Energy transition' – beyond the electricity sector

Phase out coal

- overcapacities in coal-fired power plants
- government aim: shut down eight old brown coal blocks by 2022
- monitoring report 2015 "Energy of the future": governmental plans are not ambitious enough
- risk of structural interruptions and economic risks in affected regions (e.g. Lausitz, Rheinland)

Efficiency, modernization of buildings and renewable heating systems

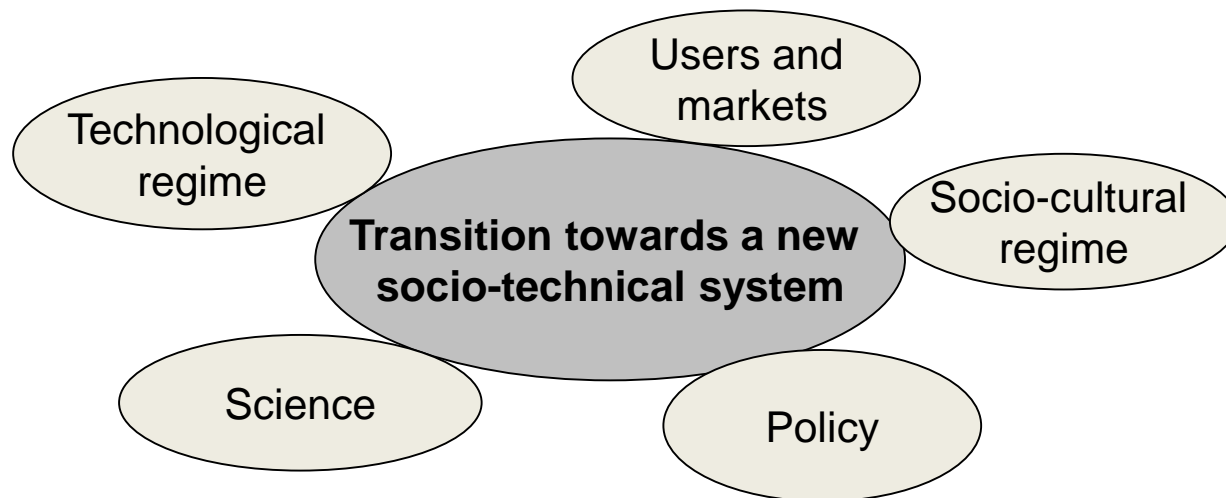
- Federal Government's efficiency targets are not met
- Heat generation from renewables stagnates at around 150,000 MWh annually since 2010

Mobility sector

- mobility sector lags behind
- sale of e-cars fell by 7% in 2016 compared to 2015
- biofuel market has fallen from 45 TWh in 2007 to 30 TWh in 2015

Transition towards a new socio-technical system...

- ...involves all levels of governance
- ...involves co-evolution of several inter-connected sub-systems
- ...needs experimentation with new technologies and ideas (laboratories) and bottom-up engagement
- ...is a process of uncertainties, that needs progression through ambitious targets and negotiation of a conflicted process (rather than one optimal policy design)



Thank you

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