



Federal Ministry
for Economic Affairs
and Energy

Energy shift – New Incentives for Energy Efficiency and Renewable Energies

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1. Overall aims and ambitious targets



German Energy Transition – long term strategy up to 2050

Long-term strategy towards a higher share of renewables and higher energy efficiency



Overall aims:

• **Reduction of import dependency**

⇒ Facing an increasing global energy demand

• **Climate protection as an international goal**

⇒ Reduction of greenhouse gas emissions

• **Development of new technologies and markets**

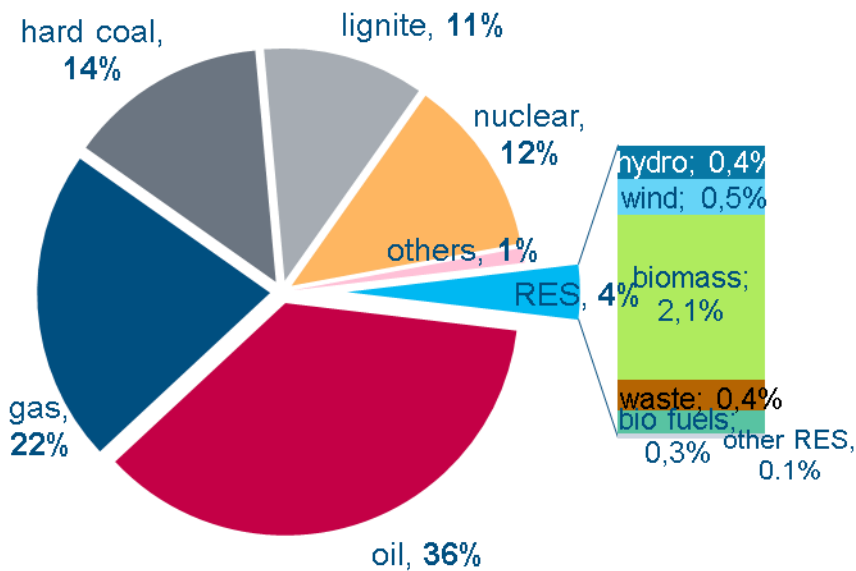
⇒ Renewable and efficiency technologies

• **Phase-out of nuclear energy generation** (broad political and social consensus in Germany)

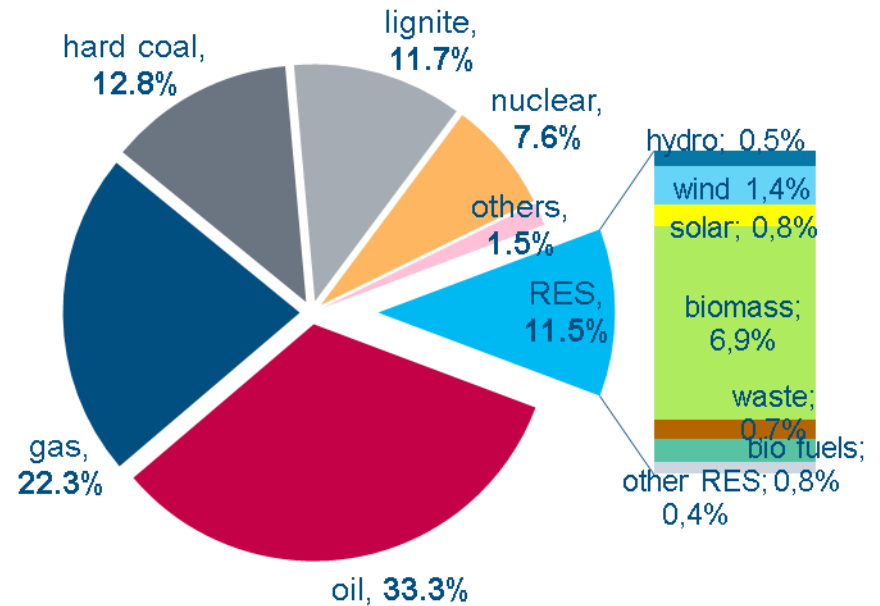


German primary energy consumption

2003 total: 14,600 PJ



2013 total: 13,908 PJ

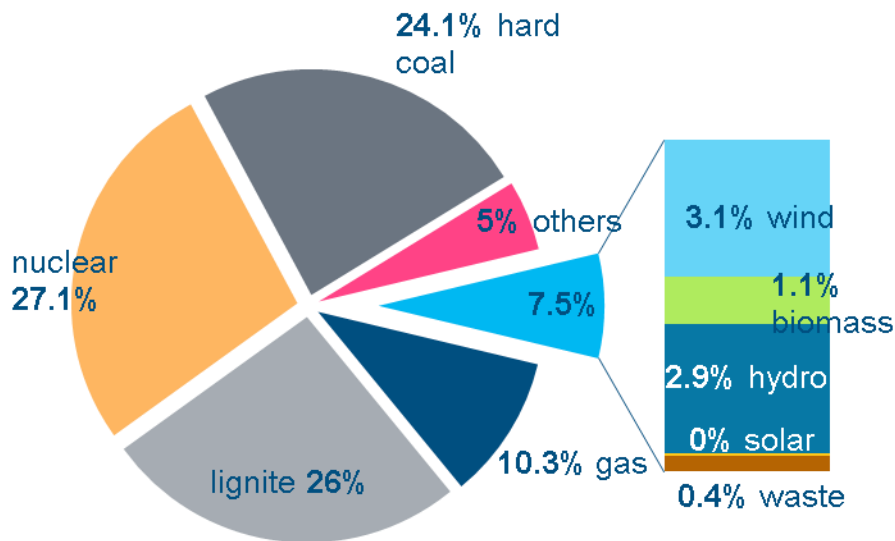


The renewables share tripled within ten years.

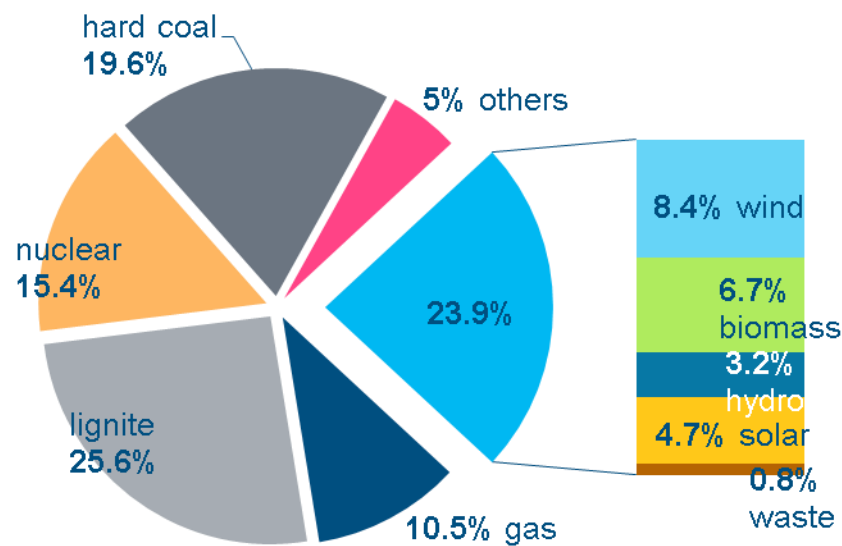


Trends in German gross electricity production

2003 total: 608.8 TWh
renewables share: 45.6 TWh



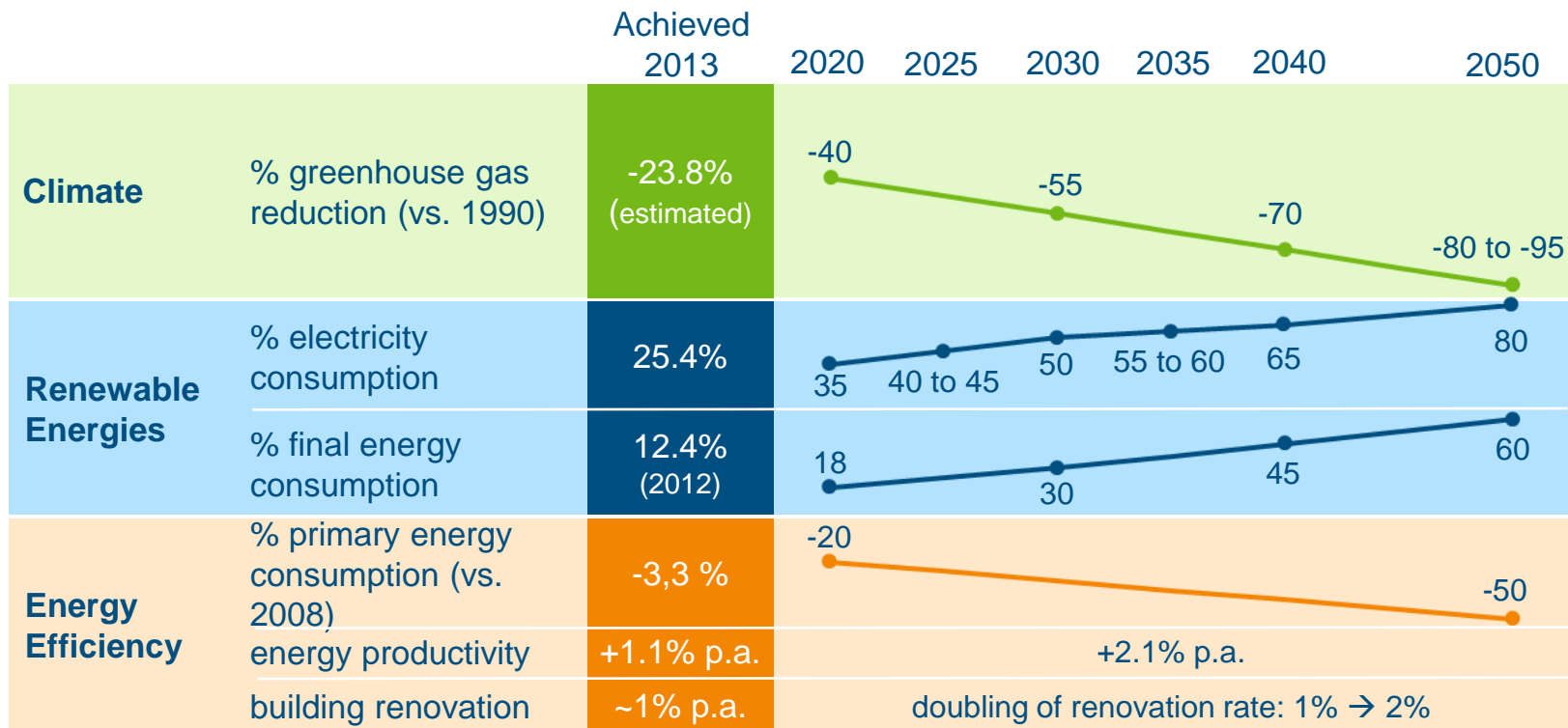
2013 total: 634 TWh
renewables share: 147.2 TWh



Renewables share in electricity production tripled within ten years.



Ambitious targets until 2050 in different sectors





2. Implementation process – Progress in a number of action fields needed



Energiewende: Fields of action

Renewable
energy



Power
plants



Grids



Energy
efficiency



Energy
research





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3. Renewable energies



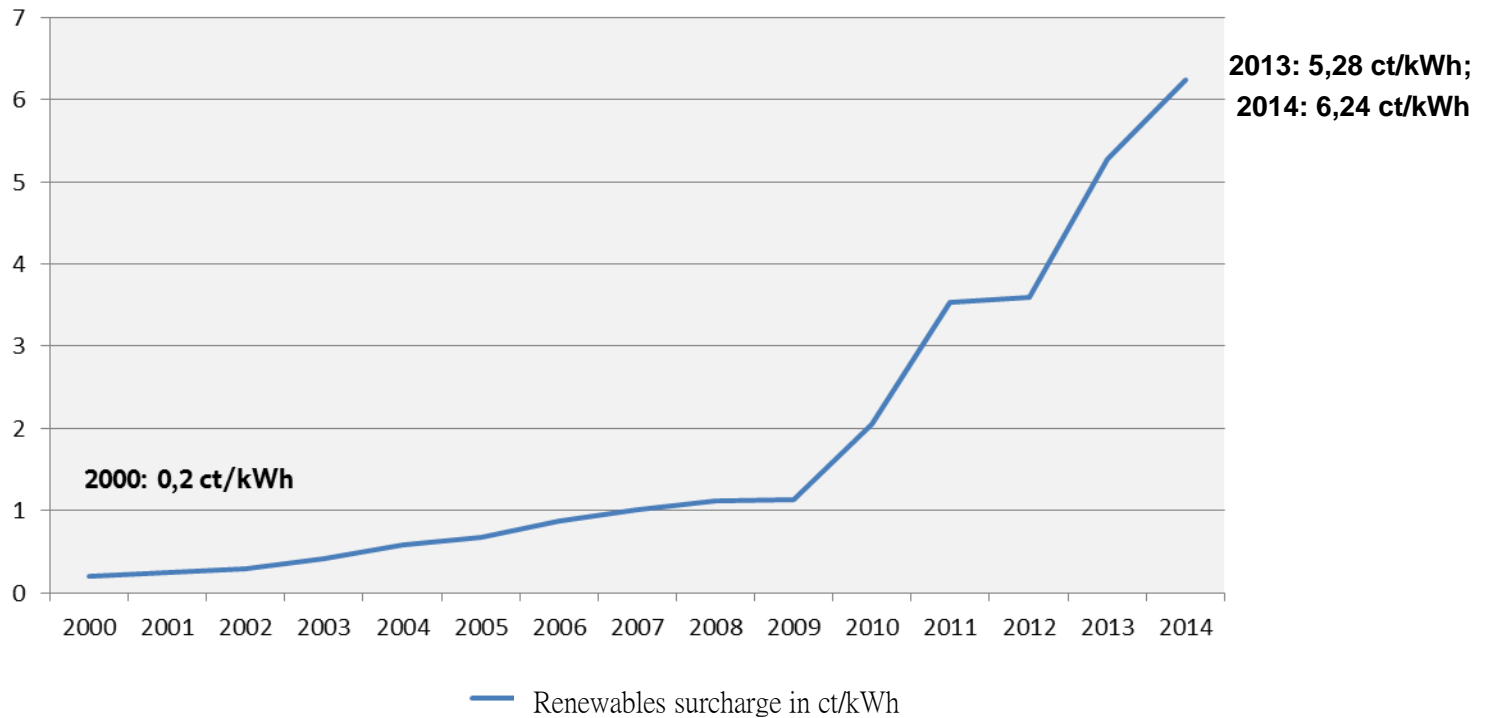
Cornerstones of the Renewable Energy Sources Act

- Guaranteed grid access; priority transmission and distribution
- Fixed price (tariff or premium) for every kWh produced
- Tariffs are set for each type of technology and with regard to further provisions (e.g. site and size)
- Additional costs for renewable energy production are offset through the EEG levy (2014: ~ 6,24 ct/kWh), with reductions for energy-intensive industries
- Additional costs are offset via grid operators and independent of the public budget
- Regular monitoring and evaluation; accompanying research





Trends in the Renewable energy surcharge (EEG-Umlage)



Sharp increase of the renewable energy surcharge during the last years.



Reform of the Renewable Energy Sources Act 2014



More planning security

- binding development corridor



More coordination and precision

- technology-specific regulatory instruments



More cost-efficiency

- focus on cost-efficient technologies (PV , Onshore-Wind)
- avoid excessive support, implement degression mechanisms



More market-orientation

- compulsory direct marketing
- tendering model (2017)

affordability

environmentally
friendly energy supply

security of supply

Germany keeps ambitious goals, but optimises mechanisms and increases market integration.

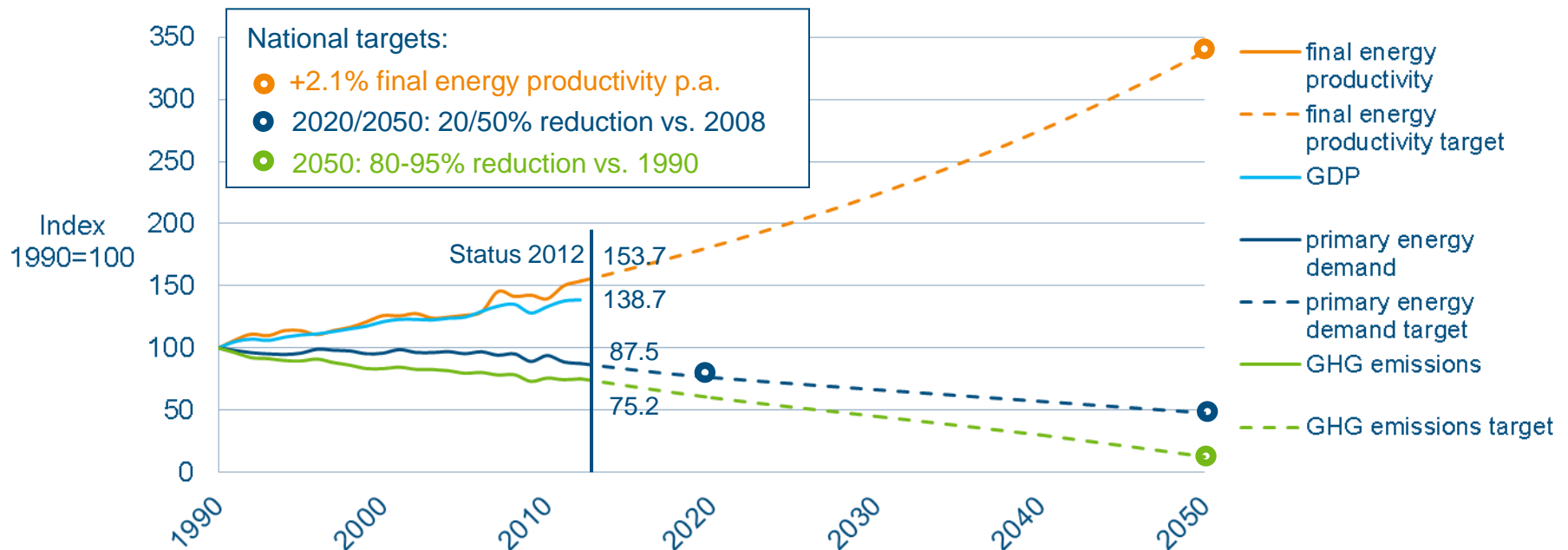


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4. Energy Efficiency



Efficiency targets and energy productivity in Germany



Source: IEA; Worldbank; Eurostat; BMWi

Economic growth decouples from energy consumption and emissions.



Energy efficiency measures: Broad mix of instruments



Buildings

- Energy Saving Ordinance (building codes)
- on-site consultations
- Low-interest loans for renovations
- Heat Metering Ordinance
- Energy performance certificates



Appliances and consumer products

- Electricity tax
- Energy Efficiency Labelling Ordinance
- Energy-using Products Act (EBPG), eco-design directive
- Energy advice in consumer advice centres



Industry and business

- Grants for cross-cutting technologies
- On-site consultations
- European emissions trading
- Efficiency classification (Ecodesign Directive)
- Voluntary agreements in some sectors



Transport

- Motor vehicle taxation
- Fuel taxes
- Federal fuel strategy

A balance of incentives, regulations, consultation and information.

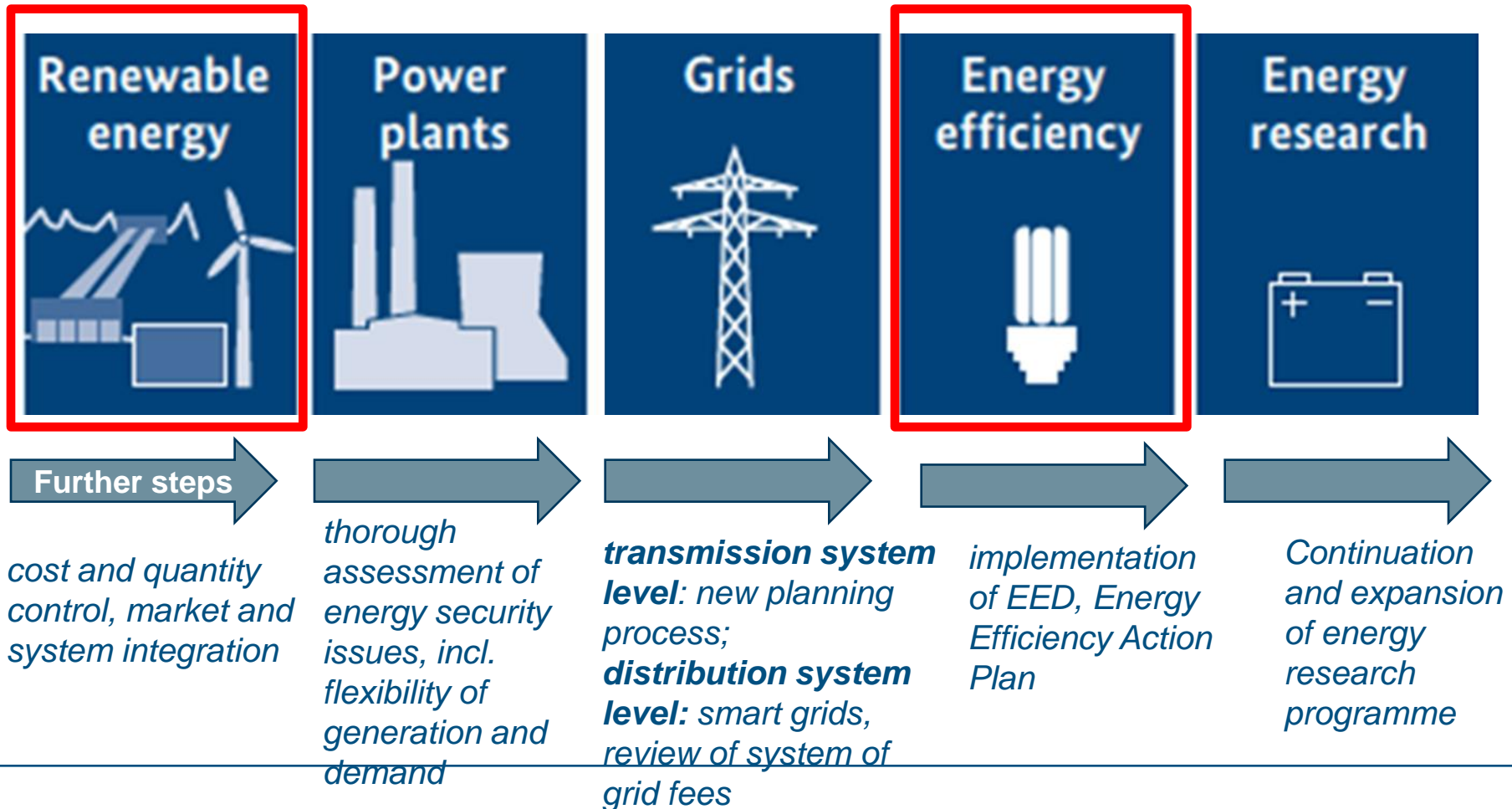


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Conclusion



Further steps are necessary





Conclusion

- The energy transition is a big challenge...
- ...but also offers opportunities for companies and consumers.
- Environmental *and* economic aspects need to be considered together. Germany must remain a competitive base for industry.
- Cost efficiency as well as market and system integration are the key
- European integration and cooperation with neighbours is needed
- long-run perspective, further steps are necessary for successful implementation



Thank you for your attention!
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Further information on German energy policy:
<http://www.bmwi.de>