RES Surcharge on Electricity only? – bne Proposal for a Redesign in Germany

Eurelectric Conference – Power to the People

19 April 2017, Brussels

Sector Coupling – or How to get Clean Energy to all Sectors and to get Back on Target Path to Climate Goals?

- Mixed results in Germany …

Quantity targets of energy transition & status quo (2015)

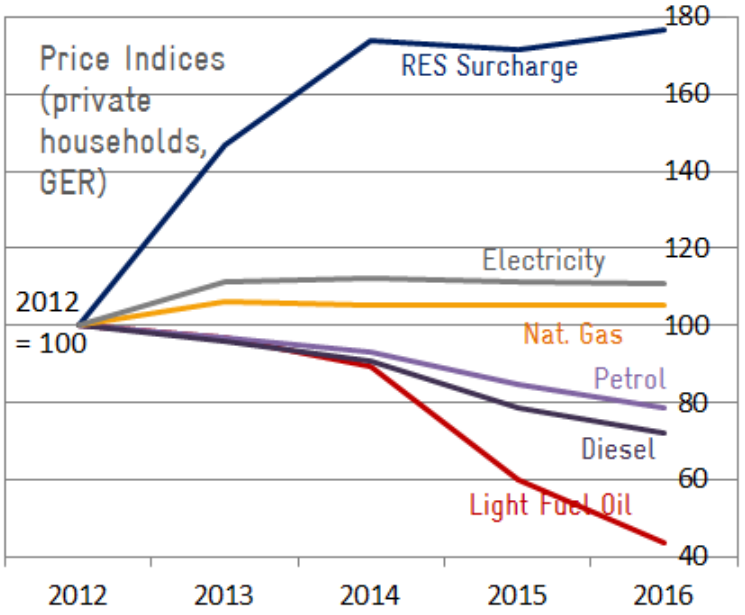
GERMANY	2015	2020	2030	2050
Greenhouse Gas Emissions				
reduction compared to 1990	-27,2%	at least -40%	at least -55%	-80% to 95%
Renewable Energy				
Portion of gross final energy consumption	14,90%	18%	30%	60%
Portion of gross electricity consumption	31,60%	at least 35%	at least -50%	at least -80%
Portion of heat consumption	13,20%	14%		
Portion in transport sector	5,20%	10%		
Efiiciency & Consumption				
Primary energy use of buildings (compared to 2008)	-15,9%		→	-80%
Heat demand of buildings (compared to 2008)	-11,1%	-20%		
Final energy consumption transport sector (comp. to 2005)	1,3%	-10%	→	-40%

success

far away

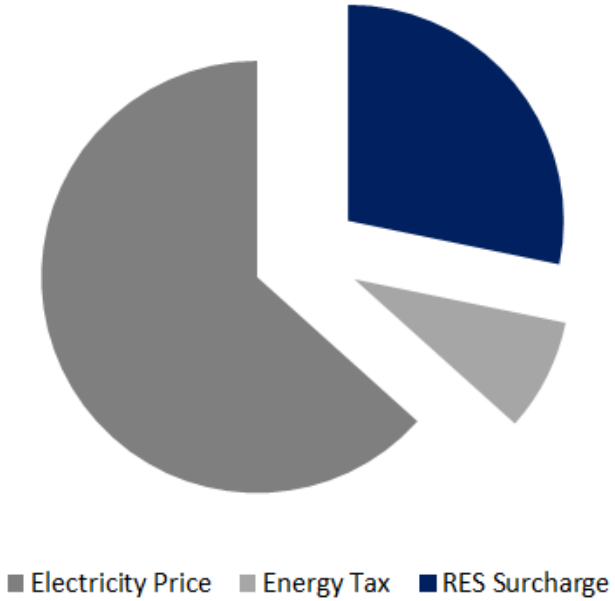
Source: BMWi, Monitoring Report Energiewende (12/2016), p. 7

- Unequal development of tax and levy burden drives the price gap between electricity and other energy sources …



Idea of Reallocation: Equal Treatment of Energy Sources in all Sectors to Finance the "Energiewende"

Electricity Price (household customers, Germany 2017):
28 % for RES surcharge



The Sensitivity Analysis commissioned by bne:

- How much can the surcharge on electricity be reduced if the costs are redistributed to more energy sources and other sectors?
- What would be the surcharges for fossil fuels when the redistribution is determined by CO2 emissions?

	Electricity	Natural Gas	Oil	Coal	Petrol	Diesel
CO2 equivalents g per kWh	532	252	322	441	316	313

source: IINAS 2015, data for Germany

Data base: RES budget 2016 (23 bn Euro), consumption 2015

Assumptions: Energy production covered by ETS is excluded from redistribution. All other design features of today's RES support scheme are considered unchanged – including existing exemptions for industrial customers.

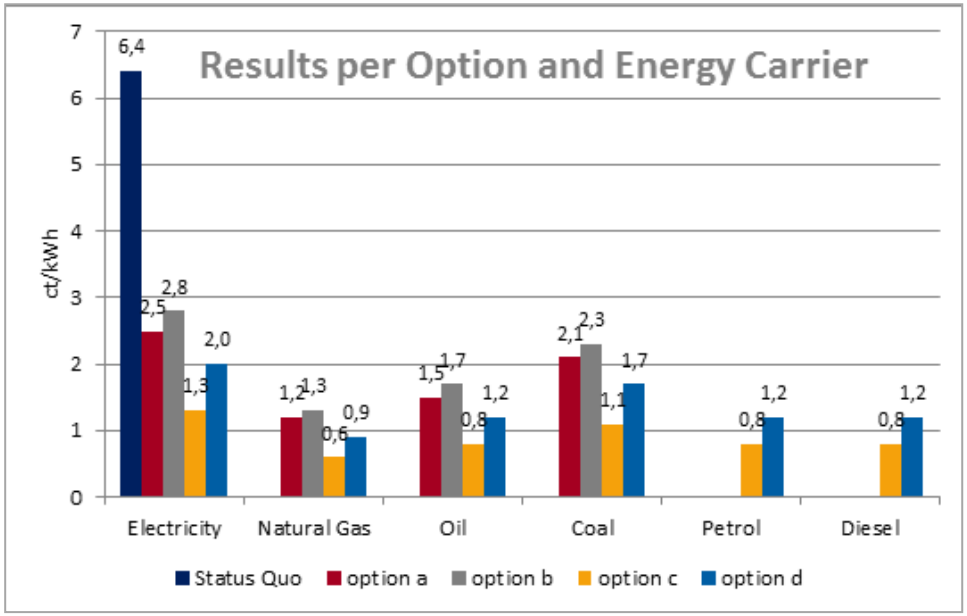
Steering Effects: Significant Decrease of RES Surcharge on Electricity & Further Emission Reductions will be Rewarded

4 options had been calculated:

- Option A: electricity & heating private customers
- Option B: electricity & heating all customers (except heat in emission trading (ETS))
- Option C: electricity & heating private customers & transport sector
- Option D: electricity & heating all customers (except heat in ETS) & transport sector

Options A & C: business and industrial customers pay the same surcharge on electricity as before (no reallocation)

The more sectors and customer groups participate the reallocation mechanism, the bigger will be the reduction in RES surcharge.



Calculations & results: IÖW (2016; Gährs, Hirschl, Aretz) study for bne

bne

Thank you for your attention.

Anne Köhler
Bundesverband Neue
Energiewirtschaft e. V.
Hackescher Markt 4
D-10178 Berlin

Telefon +49 30 400548-14
Telefax +49 30 400548-10
anne.koehler@bne-online.de
www.bne-online.de