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Continuing Environmental Leadership? Germany after the Election

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Germany has become a world leader in environmental protection and climate change policies. Particularly in the years of the red-green coalition (1998-2005), milestone policies such as the ecological tax reform, the nuclear phase out, and the feed-in tariff for renewable energies were implemented. The remarkable impact: Germany has managed to build up a world leading clean energy sector with more than 280,000 employees working in renewable energies and with renewable energies making up more than 16% of the power market. But since September 27 Germany has a new center-right government that might put business interests over climate and environmental concerns. What will happen to Germany's clean energy leadership under the black-yellow coalition between Chancellor Angela Merkel's Christian Democrats (CDU) and the pro-business Free Democrats (FDP)?

Following tough negotiations lasting three weeks in October, Germany's Christian Democrats (CDU) and the pro-business Free Democrats (FDP) finally emerged with a [coalition agreement](#) entitled: "Growth. Education. Solidarity". Trade unions, opposition leaders and the press savaged German Chancellor Angela Merkel's new-look government over what they called a fiscally reckless and socially unjust plan for the next term. This paper summarizes the prospects of the black-yellow coalition in key fields such as climate policies, renewable energies, and the role of nuclear energy.

1. Cap and trade is Germany's key policy to deliver ambitious climate targets in the short and long term.

The good news is that the coalition reaffirms the targets of reducing emissions by 40% by 2020 and 80% by 2050 against 1990 levels. The European emissions trading system is considered to be the key policy to reach these targets. In the tradition of its pro-business stand, the coalition agreed to fight any attempts in the EU to introduce tariffs against countries without climate policies. At least 50% of auction revenues from cap and trade will be assigned to domestic and international climate investment. As a next step, the coalition demands that aviation and maritime emissions should be included in Europe's cap and trade system. In the long run, the coalition is aiming for the development of a global carbon market. Environmental groups such as [WWF Germany](#) are requesting concrete steps to reach the medium and long term climate goals. In addition, the coalition doesn't address the ongoing construction of new coal power plants that would cement CO2 emissions for decades. If all currently planned coal power plants in Germany were built hardly any emission rights for industrial production, transportation and households would be left in 2040 and 2050.

2. Renewable energies and the feed-in tariff will be the leading drivers for the transition towards a low carbon economy

Renewable energies are seen as a major pillar of Germany's economic transition towards a low carbon economy across all party lines. More than 280,000 employees work in the renewable energy sector today and provide a share of more than 16% to the power market. It is no surprise that the black-yellow coalition wants to continue this growth to strengthen Germany's role as a world leader in these technologies. The main motives for this are the further potentials for economic growth, green jobs, energy security and climate concerns. The coalition agreement calls for the goal to make renewable energies competitive with fossil energies. The policy for this remains the successful feed-in tariff, a policy under which renewable energies are guaranteed access to the grid and a fixed, technology-specific price for every kilowatt hour produced is paid. As the structure of the law will be kept, tariffs for some technologies are likely to be adapted (higher tariffs for biomass electricity; [lower tariffs for photovoltaic](#)). Support for the use of biomass for gas production, electricity and heating purposes will be strengthened which pays tribute to Germany's farmers as a growing player in renewable energies.

3. Germany will continue the phase-out of nuclear power, but a slower pace could stall further investments into renewable energies.

One of the biggest surprises for an international observer might be that Germany's center-right government plans to continue the nuclear phase out. Under the current law, implemented in the red-green coalition in 2001, all 17 nuclear power plants in Germany would be phased out around 2022. The black-yellow coalition sees nuclear power only as a bridge technology into the age of renewable energies. Consequently, the ban on constructing new nuclear power stations still stands. However, the coalition wants to extend the current phase out if security standards are tightened and additional profits of energy companies will be invested in renewable energies. Details on this extension have been left open: As this issue is highly controversial within the conservative Christian Democrats (CDU) and is in big parts of the population unpopular, no decision is expected before the important state election in Northrhine-Westfalia in May 2010. Environmental groups criticize that longer operating nuclear plants would hinder the current growth of renewable energies. Germany's former Minister for the Environment, [Juergen Trittin](#) (Alliance 90/The Greens), warns of nuclear power and its base load being a grid lock that stalls further investments into renewable energies. Already in recent years, Germany has been producing more electricity than needed for domestic consumption and therefore has been a net exporter to its neighboring countries. This surplus was reached because of a growing share of renewable energies and despite the fact that several nuclear power plants were either running on low capacity in the summertime for a lack of cooling water or standing still for several months of maintenance.

4. A smart greenhorn as Germany's new Minister for Environment.

"It could have been worse" is a statement often heard by environmentalists in Germany these days regarding the new Minister for the Environment. Until now, Norbert Roettgen has had no record on environmental policy for which the conservative newspaper FAZ calls him a [greenhorn](#). As a Minister for the Environment, Nature Conservation, and Nuclear Safety, he will be in charge of climate protection, renewable energies, and nuclear power. Critics doubt that Mr. Roettgen, who formerly almost switched jobs to the Federation of German Industries (BDI), is independent enough of industry's interest. The 44 year old attorney [claims](#) that being a Christian Democrat means to respect and conserve creation. In his former position as a party whip for the governing Christian Democratic Party (CDU), he played an important role for the grand coalition and established a close relationship with Chancellor Merkel. Mr. Roettgen is considered to be one of the smartest and most communicative politicians in his party who has future ambitions in politics. His nomination for

the Ministry of Environment can be considered an attempt by Chancellor Merkel to modernize her party's position on environmental issues.

5. Conclusion

Despite all domestic criticism, a rollback by Germany's new government on environmental policies cannot be expected. But the coalition determines if renewable energies will continue their rapid growth or if old nuclear power plants will be used as a grid lock to hinder further clean energy investments. Beyond domestic politics, it is unclear if Germany's center-right government will continue to play a driving force in the international arena as the UN climate negotiations enter a critical phase. Interestingly, the conservative Christian Democrats (CDU) and the pro-business Free Democrats (FDP) have both been long-term skeptics of ambitious climate legislation, but changed their view. This is perhaps the most compelling story from Germany to the US in the fall of 2009: Germany's new center right-government favors the clean energy agenda and sees the economic benefits of renewable energies and climate protection. How strong they will pursue this remains to be answered in the next four years.

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