

A Pact to Accelerate the Expansion of Renewable Energies. Now.

Sustainably Securing Energy Supply for Business and Society

The Russian war of aggression against Ukraine is a glaring violation of international law that has led to great human suffering. This Russian act of aggression in the heart of Europe marks the start of a new political era. We welcome the efforts of the German government for an immediate end to hostilities and the withdrawal of Russian troops from Ukraine.

However, it is already clear that this war will also represent a historic turning point for German and European energy and climate policy. In particular, it is necessary to reassess the question of how to guarantee long-term and sustainable security of supply for individuals and businesses. The German government must act decisively now to avoid short-term supply bottlenecks and economic disruptions. But it must also take decisions to ensure a secure energy supply in the medium and long term.

To achieve this goal, an accelerated roll-out of renewable energies in conjunction with strategies for sector coupling is more important than ever. Together with measures to increase energy efficiency, these are the key elements for strengthening security of supply in the medium and long term and achieving the goal of climate neutrality by 2045.

That is why a bold pact for accelerating the expansion of renewable energies must be launched now. Stiftung KlimaWirtschaft – German CEO Alliance for Climate and Economy is contributing to this debate as an important business voice in climate policy.

We make the following 10 demands for such a pact which fosters the rapid expansion of renewable energies:

1. Accelerate a market-driven expansion of renewable energies

In addition to the EEG support regime, the German government should strengthen non-subsidised business models that support a reliable supply of renewable energies. To this end, an ambitious expansion target for unsubsidised plants should be defined. Important implementation issues, e.g. legally permissible terms for long-term direct contracts for electricity from renewables (green PPAs), must be clarified quickly. Economic risks for energy-intensive companies in switching to renewables, such as possible disadvantages in electricity price compensation, should be swiftly eliminated.

2. Reduce the state's share in energy costs

The aim is to relieve the burden on individuals and businesses. This will enable companies to invest in a secure and climate-friendly energy supply. For this reason, the share of energy costs that can be taxed by the state must be limited as quickly as possible. The abolition of the EEG levy from 1 July 2022 is an important step. In addition, the electricity tax should be quickly reduced to the European minimum. Furthermore, the federal government should consider relief from the KWKG levy and the offshore network levy.

3. Accelerate the expansion of network infrastructure

Optimised use and accelerated expansion of grid infrastructures are prerequisites for a more flexible energy system based on renewable energies. Grid operators should be given incentives to initiate investments at an early stage in order to prevent possible uncertainties (e.g., supply bottlenecks of individual technical components). In addition, the conversion of natural gas grids into hydrogen grids should be promoted and the framework conditions for storage (including batteries and heat) improved.

4. Accelerate the transition to renewable heating

The ban on the use of oil and coal-fired heating systems that do not comply with the prescribed share of renewable energies, set to take effect in 2026 as set forth in the Building Energy Act, should be brought forward significantly. Gas heating systems should only be subsidised if the share of renewable energies is at least 65%. These are important intermediate steps towards the planned mandatory share of renewable heat of 65% for newly installed heating systems from 2025. The German government should also introduce a binding quota for feeding renewable heat into district heating networks. Support programmes for the conversion of heating networks and supply systems to renewable heat must be significantly increased.

5. Accelerate the ramping up of H₂

The development of an H₂ economy plays a key role in the electrification of many industries. The current 20-year exemption from grid charges for electrolysis plants that go into operation by 2026 should therefore be waived for plants that are designed to serve the system (e.g., through proximity to generation hubs). This would incentivise both the development of electrolysis capacities and system stability. The climate protection contracts for industrial companies planned by the German government to support the switch to hydrogen should be introduced as quickly as possible. In addition, the German government should work at the EU level to ensure that the requirements for green hydrogen drawn up in the course of the amendment to the Renewable Energies Directive are practical (e.g., in the case of provisions on additionality and simultaneity of electricity generation and consumption) so as not to slow down the market ramp-up.

6. Provide consistent frameworks for the expansion of electric mobility and e-fuels

The quota for power-to-liquid in aviation and shipping announced in the coalition agreement should be introduced quickly and limited to synthetic fuels from renewable energies. Incentives should also be created to exceed the quota (e.g., through book-and-claim models). The German government should advocate uniform European and international standards for sustainability criteria and crediting procedures for sustainable fuels. Bureaucratic hurdles to the development of charging station infrastructure must be removed for the market ramp-up of electromobility. The end of the EEG levy should be used, among other things, to abolish the requirements for delimiting third-party charging operations at company charging points.

7. Accelerate planning and approval processes

The federal and state governments should significantly simplify planning and approval processes as part of a “kick-start initiative” and limit the duration of the processes to less than one year. To this end, the scope of review should be reduced to a technically necessary level. In particular, the repowering of wind turbines and the use of commercial sites for the expansion of renewable energies should be facilitated. Processing deadlines should be transparent and

understandable. If the deadline expires without a reaction from the responsible authorities, a preliminary approval should take effect that assumes the final approval of the project. The federal government should support the respective administrative units in establishing and expanding the necessary human resources.

8. Accelerate the expansion of renewable energies at state level

The federal government must tightly control the expansion of renewable energies in the federal states. It should quickly present a nationwide criteria-based analysis of the potential of suitable areas for the expansion of renewable energies and derive expansion targets for the individual federal states from it. This should also take into account the replacement of older plants with new, more powerful plants (repowering). The expansion targets should then be adopted in a binding federal-state agreement and their implementation closely monitored.

9. Clear out regulatory hurdles to expansion at state level

Restrictive regulatory frameworks at the state level, such as particularly far-reaching distance rules for wind turbines, must be lifted quickly. The federal government should exhaust its legal options if the states do not do so of their own accord. Uniform standards for species protection and nature conservation must be drawn up quickly so that state and local authorities can use them as a guide. Species protection must give priority to the protection of regional populations.

10. Increasing acceptance of the energy transition

The German government must commit itself to ensuring that a lack of local acceptance is no longer an obstacle to the expansion of renewable energies. It should therefore, as announced in the coalition agreement, quickly expand financial participation opportunities for municipalities and individuals. The subsidies provided for in Art. 6 of the Renewable Energy Act 2021 for operators of wind power plants and ground-mounted PV plants should be made binding and extended to existing plants as well as plants outside the scope of the Renewable Energy Act, in addition to newly constructed units. These financial incentives should be closely linked to a strategy for expanding informal participation.

Imprint:

Prepared by:
Stiftung KlimaWirtschaft
President: Prof. Dr. Michael Otto
Managing Director: Sabine Nallinger

V.i.S.d.P: Sabine Nallinger
Coordination: Dr. Daniel Vallentin, Aline de la Sauce
Press liaison: Dr. Mikiya Heise
(mikiya.heise@klimawirtschaft.org); Tel.: +49(0) –
4000 6350

Linienstr. 139/140
10115 Berlin
Tel.: +49(0) – 2021 4320
E-Mail: office@klimawirtschaft.org
Website: Klimawirtschaft.org