



IRREVERSIBLE CLIMATE PROTECTION HAS BEGUN

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2020 will be the year of irreversible climate change; it will also be the year of the beginning of fundamental global climate protection. The “Fridays for future” movement is getting bigger, more global and more successful. Greta Thunberg is the person of the year. The “Fridays for future” movement is driving politics forward. A climate package is being developed. Europe is setting the Green Deal in motion and wants to reduce greenhouse gas emissions even faster in all areas. At the same time, Saudi Aramco goes public and collects two trillion euros. At the same time, the second string of the Nord Stream II natural gas pipeline is being completed and will bring even more fossil natural gas to Europe and Germany in the future. In the course of EU climate protection, however, hardly any fossil natural gas will be needed; renewable energies are already cheaper today.

It is becoming increasingly clear that climate change is progressing massively worldwide and that the current climate policy – despite international efforts – is inadequate. We are at the beginning of the disruptive change towards

more climate protection. Electromobility is coming, renewable energies are getting cheaper and cheaper. Even the European Investment Bank has recently announced that in the future it will not invest in any projects at all, not even in fossil natural gas projects. The now completed and highly controversial pipeline is – similar to many coal-fired power plants in Germany but also worldwide – a stranded investment, i.e. a failed investment that causes enormous costs. Fossil energies are experiencing increasing devaluation overall. The decade of the sale of fossil fuels is beginning. Globally, all nations that generate high revenues from the sale of fossil fuels must change their course. In order not to end up with a kind of “carbon bad bank” that has to destroy fossil scrap capital, the reversal should be initiated now. Europe now rightly wants to set the appropriate framework conditions for sustainable financial markets.

As the World Economic Forum recently reported, the greatest risk worldwide is climate change, followed by the extinction of species and the dangers of digitalisation. Blackrock, the world’s largest asset management company, calls on companies to do more to combat climate change. “Every government, company, and shareholder must confront climate change,” warned Blackrock CEO Larry Fink in a letter to chief executives of companies around the world in which the world’s largest asset manager has a stake. He expects a “fundamental reshaping of finance”. Shortly before, Blackrock had

already joined the network “Climate Action 100+”. The alliance of international investors demands more transparency and comprehensible climate protection targets from companies.

At the same time, an increasingly open fossil fuel energy war is raging. US President Trump introduces sanctions against the Nord Stream II natural gas pipeline, allegedly to “protect Germany’s and Europe’s dependence on Russia”. In reality, however, his sole aim is to sell his own fossil fuels, above all fossil natural gas obtained by fracking, to Europe at the highest possible price.

The best answer to fossil energy wars, of whatever kind, is to implement the energy transition on site, with more renewable energies, more energy saving and more electromobility. Unfortunately, the climate package announced with great fanfare turned out to be a small beginning instead of a great success. Unfortunately, it does not provide for what is necessary in terms of climate policy, but only for what appears politically feasible.

It will not be possible to achieve the emission reduction targets by 2030 with the measures adopted, without readjustments being made. Particularly in the transport sector, the climate targets are clearly being missed. The coal phase-out comes too late and is too half-hearted to achieve the climate targets. Even worse: the expansion of renewable energies is being slowed down so that, in addition to failing to meet climate targets, there is the threat of a shortfall in green electricity, jeopardizing security of supply. What is also regrettable: Instead of reducing environmentally harmful subsidies, they are even still being increased. The government failed to abolish the diesel privilege or, at least, to introduce a climate toll, i.e. to increase the kerosene tax. Missing the target is thus inevitable: We will have to buy additional CO₂ certificates in Europe, which will cost billions. Little climate protection for a lot of money – that does not increase acceptance.

Concrete emission reduction targets for individual sectors are indeed important; the achievement of these targets should be reviewed annually and aligned with European targets. It is also important to promote the expansion of renewable energies more intensively – distance regulations for wind energy plants are not very conducive to this. The expansion limit for solar energy must be abolished as soon as possible. In addition, no new oil-fired heating systems will be permitted after 2026, and more financial support will be given to the energy-efficient refurbishment of buildings as well as to rail transport. Charging infrastructure for electric cars and public transport will also be expanded. It would have been even better to reduce the electricity tax so that more electricity from renewable energies is used in both the transport and the buildings sectors.

But perhaps the EU Green Deal will offer a remedy: Now, Germany must further increase its climate targets and adapt them to the more ambitious goals. Europe also wants to extend emissions trading to the transport and buildings sectors. This is why it is so important that Europe wants to ensure that targets are achieved by introducing a climate law; annual reviews and, if necessary, adjustments in the event of non-compliance are particularly important.

The climate protests will thus become even louder and more intense. Indeed, we are only at the beginning of our commitment to courageous climate protection. With the EU Green Deal, Europe and Germany can finally assume a pioneering role in international climate protection again. The year of 2020 will perhaps go down in history as the “tipping point”: The year in which irreversible climate protection started, the fossil fuel sale began and the world averted the global climate crisis. It is high time in any case!

Contribution by Prof. Dr. Claudia Kemfert relating to the 2019 Annual Report of PNE AG