

OPTIMISM PREVAILS – A NEW GOVERNMENT ALLIANCE FOR GERMANY

The relatively early agreement of the first tripartite alliance in the form of the negotiated coalition agreement leads us to a positive basic mood with regard to the development of the framework conditions for the energy transition. Accompanied by democratically necessary compromises, we hope for an end to profiling competition in favour of constructive discourse.

The decade ahead will undoubtedly be a time-critical and directional one with regard to the threat of climate change. Clear regulatory framework conditions, which in particular entail market-based incentives for the private sector, have the potential to mark a turning point.

An election campaign dominated by the key issue of climate change already revealed agreement on the goals to be achieved and the urgency of the need for action. However, different alternatives for action stood in contrast to each other. But perhaps the key to a new departure lies in an approach characterised by compromise that allows for different alternatives for action.

From our practice-oriented point of view, the identification of the underlying obstacles to an accelerated energy transition is positive. The findings on the necessary expediting of approval procedures and a reassessed future electricity demand set the guard rails for the goals to be achieved, which must be shaped by a massive expansion of renewable energies. By limiting the financial burden on private households and companies through the abolition of

the EEG levy, the high competitiveness of wind power and solar PV technologies is taken into account.

Another positive aspect is that the focus is not on new ideologically motivated targets, but on the realisation of existing approaches. The introduction of a bottom line for the price of emission certificates is accompanied by a market-based process that nevertheless includes a minimum level of incentives for avoidance. Instead of a binding phase-out of coal-fired power generation, which is associated with considerable financial compensation, displacement for economic motives is a far more effective and sustainable alternative in the long term. Especially since the effect already brings into focus the significantly shrinking profit margins of fossil producers compared to renewable technologies.

Despite all the motivation, however, the integration of renewables should continue to dominate the discourse. While the planned expansion of gas-fired power plant capacities is having counterproductive effects and the replacement with hydrogen is still a long time coming, due to the immense energy demand, batteries are already showing economically valuable alternatives in some EU countries.

We look to the future with confidence and hope that the different perspectives of the three parties will result in continued constructive discourse and form a targeted and solution-oriented basis for decision-making.

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