

# GERMANY AND EUROPE: TOWARDS A NEW GROWTH PATH?

## *Energy Sector Transition – German Madness or an Opportunity for Growth?*

**Date:** December 11th, 2012  
**Venue:** Neue Promenade 6, Berlin  
**Contact:** franziska.schuetze@globalclimateforum.org

Germany has decided to phase out nuclear energy and to transform its energy sector into one based on renewable energy. On the one hand, this decision can be viewed as a purely political one. On the other hand, it can be regarded as a potential source of economic growth with innovation and technological advances, which may increase energy efficiency and general productivity. The goal to raise the share of renewables in the energy market to 20% turned out to be successful. This largely happened due to the feed-in-tariff and without significant changes to the structure of the energy market. But striving towards a 100% share of renewables will require massive changes in technology and infrastructure related to production, storage, grid and consumption, as well as associated transformations of governance structures and the market mechanisms themselves.

**Currently, the increasing price for electricity associated with the energy transition is subject to much criticism within Germany. Other countries are watching with a skeptical eye. How can the energy transition become an economic opportunity not only for Germany but also for other countries?**

For this, it is important to understand which actors are involved, their interactions, the set of choices they have and the governance arrangements hindering or promoting this transition. Furthermore, it is crucial to distinguish different stages of technological development and to investigate the governance structures and incentive mechanisms fitting the respective development phase. The size and composition of transaction costs and opportunity costs involved play an important role and differ depending on the circumstances.

In this context and along with the need for a public debate about these issues, there is an urgent need for a professional dialogue about the tools that economists can develop to help design and assess suitable policies. We see, for example, a need for combining mathematical model based approaches and institutional economics approaches. In this spirit, the Global Climate Forum has started a series of workshops, which link new economic thinking to practical challenges in climate and energy policy. By doing so, we strive to establish a community of researchers who set standards for new economic thinking. This series of workshops thus aims at providing a productive setting to share current research efforts, to provide comments to and inspiration for each other's work, and to engage in dialogues with relevant stakeholders.

This particular workshop on renewable energies addresses the following questions:

- **Who are important actors and how do they interact?**
- **How can existing economic tools be developed further to explore and evaluate the current situation and to give well founded policy advice?**
- **What are the probability distributions for certain scenarios? What is the role of uncertainty in this?**
- **Which conflicts and coordination problems arise during the transition? How does good governance for green growth look like?**
- **How can the German experience be insightful for other countries as well?**

## PROGRAM (as of December 6)

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**12.00 – 12.30**     *Welcome Lunch & Registration*

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### **Part 1: Welcome & Introduction**

**12.30 – 12.45**     *Welcome - Carlo Jaeger (Global Climate Forum)*

**12.45 – 13.00**     *Introduction - Sarah Wolf (Global Climate Forum)*

### **Part 2: Energy turnaround: Challenge or Opportunity?**

*Introduction of the speakers by Jochen Hinkel*

**13.00 – 13.15**     *Overcoming energy path dependence – Rolf Wüstenhagen (St. Gallen)*

**13.15 – 13.30**     *Discussion round - Moderator: Jochen Hinkel*

**13.30 – 13.45**     *Climate Change & Financial Crisis - Klaus Hasselmann (Global Climate Forum)*

**13.45 – 14.00**     *Discussion round - Moderator: Jochen Hinkel*

### **Part 3: Electricity Markets**

*Introduction of the speakers by Franziska Schütze*

**14.00 – 14.15**     *Integrated assessment of power plant investment and dispatch - Ralf Harthan (Ökoinstitut)*

**14.15 – 14.30**     *A long-term Oligopolistic Electricity Market Model - Thure Traber (DIW)*

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**14.30 – 15.00**     *Coffee Break*

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*Introduction of the speakers by Franziska Schütze*

**15.00 – 15.15**     *A Dispatch and Investment Model for European Electricity Markets - Jan Richter (Uni Köln)*

**15.15 – 15.30**     *(Re)designing electricity markets for the energy transition – Laurens de Vries (TU Delft)*

**15.30 – 16.00**     *Discussion round - Moderator: Sarah Wolf*

### **Part 3: New Perspectives**

*Introduction of the speakers by Sarah Wolf & Carlo Jaeger*

**16.00 – 16.15**     *Modeling the energy transition: an agent-based model - Jörn Richstein (TU Delft)*

**16.15 – 16.30**     *Discussion round - Moderator: Sarah Wolf*

**16.30 – 16.45**     *German Green Growth Model - Sarah Wolf (Global Climate Forum)*

**16.45 – 17.30**     *Final discussion round - Moderator: Carlo Jaeger*

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**18.00 – 20.00**     *Dinner (optional)*

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