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Claus Sauter, Bioenergy Expert, Founder & CEO of VERBIO AG addresses current issues of (bio)energy, energy security and (green) mobility

Column

Half-time fiasco in the grand coalition climate policy : CO₂ emissions from transport increase again in 2019

The emissions data for 2019 published in January make one thing clear: the CDU and the SPD are marginalising one another as far as Germany's climate policy is concerned. The targets are ambitious, but there is not enough team spirit, tactics or fair play. After two years of the grand coalition the results are disappointing. My demand: make changes to the "team" to avoid another defeat!

Finally, the discussions that have been held between the various CDU- and SPD-led ministries on how to decarbonise German industry are finding their way into the public domain. For months now I have been criticising the blockading tactics of the SPD-led Ministry of the Environment (BMU) as they react to constructive proposals for how to achieve an energy turnaround in the transport sector made by the CDU-led Ministries for Transport (BMVI) and for Economic Affairs (BMWFi).

In a year in which the European Championship will be held, I can't help but think of a football analogy for this absurd situation. Just imagine what would happen if the wingers in the German national team refused to pass to their centre forwards in order to make sure they didn't score. A team like that would never win a game. The team would not be successful, and the fans would turn their backs on them. In this situation the trainer needs to take action – but what happens when the trainer lacks the necessary leadership qualities, determination and clever strategic game plans that are needed to take the team back to the top of the league?

With Germany's climate policies it is no different. Here, too, the measures that were agreed on recently are not sufficient to drive sustainable change and to make an effective contribution to reducing CO₂ emissions in the transport sector. Of course, I didn't expect any sensations from the Climate Cabinet, but what we did get is nothing more than a sedative pill. Diesel and petrol will be more expensive as a result of the CO₂ price, but at the same time the flat-rate allowance for commuters will be increased, and the increase in the air travel tax will only mean an increase of no more than EUR 13 for short-haul flights. (1)

None of these things is enough to create an energy turnaround in the transport sector – and this despite the fact that the opposition, large parts of the German population and the European Union are all leaning heavily on the grand coalition. At the end of November, the European Parliament even announced that the climate issue is a state of emergency. However, this too is nothing but a show! Even so, Germany cannot afford to mess this up again.

(1) Source: „Wie viele Fahrgäste die Bahn durch das Klimapaket gewinnt“, plusminus, ARD, 27.11.2019, <https://www.daserste.de/information/wirtschaft-boerse/plusminus/videos/bahnpreise-video-100.html>

We remember this:

“We commit ourselves to the climate targets for 2020, 2030 and 2050 for all sectors agreed at national and European levels and agreed as part of the Paris climate accord.” (2)

This was put down in writing in the coalition agreement. However, “commitment” alone is not enough. By now we know that Germany will not meet the 2020 climate target.

The agreement continues: *“We definitely want to meet the 2030 targets for reduction.” (3)*

If nothing else, the Federal Government doesn't lack motivation. But why should we continue to believe that a team that has run out of ideas will suddenly be able to prove itself to be full of strength and creativity? Emissions from the transport sector have been increasing continually since 1990. A third of newly-registered passenger vehicles are “fuel guzzling mini-tanks”, (4) and the number of heavy goods vehicles on the road is growing every year. Meanwhile our Federal Minister for the Environment looks on and does nothing. Dear Svenja, if we carry on this way we don't have the slightest hope that we can meet the 2030 climate targets.

But what else can we expect from a minister who is responsible for a situation in which every climate measure taken cannot be beaten for absurdity?

The declared objective: *“The first thing to do is to strengthen the Deutsche Bahn [Germany's railway provider – DB].” (5)*

In order to attract more people to the environmentally-friendly transport system the Federal Cabinet has decided to reduce the value added tax on long-distance journeys to 7 percent. Richard Lutz, Chairman of the DB Management Board, is confident: “More attractive prices will increase demand” (6). Arithmetically, the reduction of value added tax should lead to a price reduction of 10 percent. Nevertheless, the DB Management Board expects that it will be able to welcome five million more passengers annually. (7) It remains to be seen whether this calculation will prove to be accurate.

Then there are the subsidies for increasing the numbers of public electric vehicle charging stations, and for an increase in purchase incentives for electric, hybrid and fuel-cell powered passenger vehicles in order to bring 7 to 10 million electric cars onto the roads by 2030. (8) We can only hope that the millions of euros in public funds spent so far will generate better returns in future. The number of electric vehicles on Germany's roads remains small at approximately 220,000. (9)

This means that the staged self-congratulations and applause for improved electro mobility fade away quickly. And how does the Federal Government react? It focusses on an alternative that has been even more of a niche-player until now: hydrogen-powered cars. On 1 January 2019 there were 392 such vehicles registered with the Kraftfahrt-Bundesamt (the Federal Motor Vehicle Transport Authority). (10) Subsidies running into many millions of euros would be needed to get these vehicles into mass production. There is no question that it is important to invest in innovation!

(2) Source: Koalitionsvertrag zwischen CDU, CSU und SPD, 19. Legislaturperiode, <https://www.bundesregierung.de/resource/blob/975226/847984/5b8bc23590d4cb2892b31c987ad672b7/2018-03-14-koalitionsvertrag-data.pdf?download=1>, S. 142

(3) Source: ebd.

(4) Source: „Deutschlands beliebteste SUV“, Auto Motor Sport, 10.11.2019, <https://www.auto-motor-und-sport.de/verkehr/suv-neuzulassungen-deutschland-oktober-2019-daten-zahlen/>

(5) Source: „Klimaschutzprogramm 2030“, <https://www.bundesregierung.de/breg-de/themen/klimaschutz/klimaschutzprogramm-2030-1673578>

(6) Source: Rede auf der Tagung des Klimakabinetts am 20. September 2019

(7) Source: „DB erklärt zum Klimapaket: Bahn gibt Senkung der Mehrwertsteuer im Fernverkehr 1:1 an Kunden weiter“, 16.10.2019, https://www.deutschebahn.com/de/presse/pressestart_zentrales_uebersicht/DB-erklaert-zum-Klimapaket-Bahn-gibt-Senkung-der-Mehrwertsteuer-im-Fernverkehr-1-1-an-Kunden-weiter-4527582

(8) Source: „Klimaschutzprogramm 2030“, <https://www.bundesregierung.de/breg-de/themen/klimaschutz/klimaschutzprogramm-2030-1673578>

(9) Source : Bestand Elektro-PKW Deutschland zum 01.11.2019, VDA, <https://www.vda.de/de/themen/innovation-und-technik/elektromobilitaet/elektromobilitaet-in-deutschland.html>

(10) Source: „Fünf Gründe, warum Wasserstoffautos kaum gefragt sind“, SPIEGEL, 27.06.2019, <https://www.spiegel.de/auto/aktuell/brennstoffzelle-deshalb-setzen-sich-wasserstoffautos-bisher-nicht-durch-a-1273042.html>

“We continue to stand for a science-based, technology friendly and efficient climate policy”. (11)

I welcome this very much. However, it is time to stop deliberately ignoring alternatives whose technology is proven – for example, biofuels – instead of favouring prestige research projects. Biofuel in the form of biomethane manufactured from waste products and straw, using combustion engines based on CNG technology, is currently the most efficient climate-neutral solution, and it has long proven itself in the marketplace to be environmentally friendly, cost effective, and technically feasible.

Countless jobs in Germany are dependent on the combustion engine, but thanks to the politically-driven hype about electro vehicles the entire automobile industry has gambled everything on “E” and sooner or later will skid into a catastrophe – not least because important potential export markets, like China, have meanwhile turned away from one-dimensional E-strategies.

So now I would like to address the so-called “heart” (12) of the climate protection programme. The coalition agreement says:

“Our objective is a CO₂ pricing system, ideally a global one, that in any case includes at least the G20 countries.” (13)

Congratulations! CO₂ has now been issued with a price in Germany. However, nobody understands what it means to pay 25 euros per tonne of CO₂ from 2021. It is no secret that the energy turnaround cannot be achieved without paying a price, but what it will cost each one of us remains deliberately unclear.

The Federal Minister for the Environment declares that she is pleased with the resolutions – and she stands completely alone on this. She proudly states: “With the Climate Protection Act every ministry is now a ministry for climate protection”. (14)

However, just a few weeks after the announcement of the resolutions it is clear that it is foolish to think that all the participants are pulling together on this. It would be more accurate to say that the main Federal Ministers responsible are tripping one another up. The BMWi is blocking wind power by insisting on clearance rules for wind turbines that create a difficult environment for the industry. Meanwhile, the BMU expects Peter Altmaier, the Federal Minister for Economic Affairs, to make more effort to encourage the production of renewable energies such as biofuels or hydrogen. The wind industry can breathe a sigh of relief for the moment; these plans are off the table for now.

There is no avoiding a tit-for-tat response. The BMU must transform the Renewable Energy Directive (RED II), which requires that at least 27 percent of total energy consumption will be provided from renewable sources by 2030, into national law. The BMWi and BMVI have a clear plan – but the BMU is playing dead, and, as the leading ministry in this task, it is stalling the entire process.

We urgently need a fresh wind, competence, courage, team spirit and the desire to win in the Berlin political “arena”, especially in the areas where the grand coalition has been such a successful failure until now: failed with the energy turnaround, and failed on climate protection. We can expect no more from this coalition between a hesitating union and a dying SPD.

(11) Source : Koalitionsvertrag zwischen CDU, CSU und SPD, 19. Legislaturperiode, S. 142

(12) Source: „Klimaschutzprogramm 2030“, <https://www.bundesregierung.de/breg-de/themen/klimaschutz/klimaschutzprogramm-2030-1673578>

(13) Source: ebd, S. 142

(14) Source: „Herzstück des Klimaschutzpaketes verpflichtet alle relevanten Ressorts zur Treibhausgasminderung“, 15.11.2019, <https://www.bmu.de/pressemitteilung/bundestag-beschliesst-klimaschutzgesetz/>

The Federal Ministry for the Environment has long ceased to be the driver of an effective energy turnaround, and instead become its primary ideological obstacle. This is no way to win a match, dear Svenja Schulze – and when success continues to be elusive and relegation threatens, it is usual for the trainer to be fired, dear Angela Merkel!

Yours,

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