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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

“Betting on E”: Playing dangerous roulette with Germany’s future

When the German automobile industry catches a cold, Germany gets pneumonia. It is high time to manage the transport turnaround in a sensible way before the economy, and all of us with it, run out of breath.

I love Herbert Diess. The head of the largest automobile manufacturer in the world has spoken out clearly and started to push policy forwards.

As recently as autumn of last year the VW boss criticised the political crusade against the combustion engine, and warned the government that this policy could result in industrial wastelands like those in Detroit or Turin. Now he turns around and demands the end of technology openness in Germany, and a 100 percent focus on electric power.

And rightly so! Because time really is running out for the automobile industry. The German automobile manufacturers – especially the premium manufacturers Daimler, BMW, Porsche and Audi, with their big PS heavyweights – don’t have a chance of meeting the emission limit of 95 g/km for all new registrations that will be in place from 2021. The consequence will be billions of euros in penalty payments to Brussels.

The automobile industry is on fire!

The VW boss is not looking on passively. He is demanding adequate support from politicians for a “national electro mobility action plan”, in order to provide for the establishment of a quicker and more comprehensive recharging infrastructure and the availability of sufficient renewable electricity.

Diess is justified in his demands, because the energy turnaround is not a project designed by German industry – it is the Federal Government’s project, and the Federal Government must finally deliver!

Diess has been clever enough not to repeat the same mistake made by the RWE boss Jürgen Großmann, who took coffee with Angela Merkel and made a deal about exiting nuclear power production, in the belief that he could take the wind out of the prevailing political sails.

Then Fukushima exploded. Mrs Merkel got cold feet because the approaching state election in Baden-Wuerttemberg and wasted no time in sacrificing the agreements made, and thereby drove not only the energy giant but also a whole industry to its knees. The once-proud German energy sector is ruined, and today the Greens are in charge in Baden-Wuerttemberg. How well that went!

After Dieselgate the German automobile industry is threatened with the same fate. In order to avoid this the VW boss is responding to political demands and is now calling for a radical “E-Auto strategy” – in order to secure the commercial future of the Group and the sustainability of an entire region. The implication is that if VW dies, Lower Saxony dies with it!

Obviously, automobile manufacturers will not be able to avoid increased levels of investment in electro mobility. Electric cars will be needed in order to meet the increasingly strict emission limits; from 2030 these will be as low as 59.4 g/km!

However, a transformation as radical as this cannot be a success. Take a look at the EU-climate protection targets for 2030 – every second passenger vehicle registered will need to be an electric car. Currently the figure is not even two percent (1). It is one thing to produce E-Autos, but it is quite another thing to sell them. With high prices and a patchy charging network, the acceptance of electric cars among German car drivers is low. As a result, it is difficult to get electro vehicles on the road in practice.

German climate policy: great ambition but no plan

The automobile industry is facing its biggest challenge of the last 100 years. Politics is to blame for this, having provoked a disaster with its continued hesitance. It is not sufficient to redefine climate goals time and time again in endless conferences and signing international agreements. It is necessary to create national framework conditions to enable the implementation of the goals. Waiting, postponing and hoping does not bring about change.

The fact is that CO₂ emissions in Germany have risen over the last ten years (2). Electricity generated from coal continues to play the largest role in the current electricity generation mix. My dear Transport Commission, we are a long way from emissions-free electro mobility for active climate protection!

And as long as a Porsche Panamera SE Hybrid with a 500 PS petrol engine and a top speed of 319 km/h and a stated electro range of 50 km is classified as an electro vehicle, we will not be able to record any success in climate protection. It makes no difference, even if all electricity is generated from renewable sources one day.

Only by turning to alternatives can Germany really make an improvement to the climate in the transport sector. And this needs to happen quickly, without resorting to tricks! The alternatives are biodiesel, bioethanol and biomethane from waste and residual products – all available, clean, economic power sources that are “Made in Germany”.

Accordingly, I must contradict Mr Diess at this point. Dear Herbert, in order to achieve the Paris climate protection goals, we don't need a “national electro mobility action plan”. Rather, what we need is a national action plan for “affordable, climate-neutral mobility” – and that does not automatically mean “Betting on E”.

(1) Source: European Automobile Manufacturers Association, Key Figures, Registration Electric vehicles, www.acea.be/statistics/tag/category/key-figures

(2) Source: Federal Environment Agency, Greenhouse gas trends 1990–2017, www.umweltbundesamt.de/themen/klima-energie/treibhausgas-emissionen (in German).

Biofuels reduce greenhouse gas emissions by up to 90 percent compared to diesel and petrol. However, since Mrs Merkel became the Climate Chancellor in 2006, the share of greenhouse gas reducing biofuels has declined continually. Instead of increasing the quotas and giving incentives for increased use of clean biofuels, politicians have reduced their share, for reasons which are not immediately understandable.

The combustion engine now has a bad reputation. However, it is not the combustion engine which is bad, but the fuel we are putting into it. No one would think of throwing away a fruit juice extractor just because fruit juice made from rotting fruit doesn't smell good!

For certain sectors the combustion engine is and remains the only sensible alternative. Electricity cannot meet all mobility needs. Two thirds of diesel consumption is by light and heavy goods vehicles. Electro mobility doesn't offer a solution for this sector in the foreseeable future.

So why not use more biomethane from waste materials and residue products for modern CNG engines?!? As a bridging technology we could create an energy turnaround in transport, which is clean and affordable!

In France, Emmanuel Macron found that adding just a few cents to the tax on fuel to finance climate protection plans was sufficient to create a state of emergency in the streets in front of the Élysée-Palace. In Germany it is not just a few cents on fuel tax; we are talking about estimated costs totalling EUR 120 billion (3) and the loss of the country's most important industry.

In 2004 the former Federal Minister for the Environment Jürgen Trittin promised that the energy turnaround would only cost as much as one scoop of ice for the average household (4). In recent weeks Federal Minister for Economic Affairs Altmaier said: "Climate protection will only work when our standard of living is not put at risk as a result." (5) Dear Peter, the idea of "wash me, but don't get me wet" doesn't work anymore! Job losses in the energy and automobile industry have already started.

German politics has agreed to various resolutions in Brussels, without keeping an eye on the overall situation, without questioning the calculation methods and without making clear what the consequences for the German economy will be. Each of the ministers involved, from the Federal Ministry of Transport (CSU) to the Federal Ministry of Economic and Business Affairs (CDU) and the Federal Ministry for the Environment (SPD), has played their own game for party political and ideological reasons. However, they are playing with Germany's future.

**Yours,
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(3) Source: Draft of the final report of the Federal Government's transport commission (in German).

(4) Jürgen Trittin as Federal Minister for the Environment in a press release: "Renewable Energy Act takes effect", July 30, 2004.

(5) Federal Minister for Economic Affairs Peter Altmaier in ARD's "Morgenmagazin", March 5, 2019.

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