

Contents

1	Introduction: What Is This Book About?	1
1.1	Five Questions	1
1.2	Units	4
1.3	Basic Facts and Figures: Germany	5
1.3.1	Energy Consumption	5
1.3.2	Electricity Consumption	5
1.3.3	CO ₂ Emissions	6
1.3.4	Energy Imports	7
1.4	Basic Facts and Figures: OECD Countries	7
1.4.1	Energy Consumption	7
1.4.2	Electricity Generation	8
1.4.3	Electricity Consumption	9
1.4.4	CO ₂ Emissions	9
	References	9
 Part I The German Energy Transition: What Is Driving It?		
2	Three Targets of the Energy Transition: Description	13
2.1	Shutdown of Nuclear Power Plants	14
2.2	Expansion of Renewable Energies in Electricity Generation	15
2.3	Increase in Electricity Efficiency	16
2.4	Target State in 2050	16
	References	17
3	Three Targets of the Energy Transition: Analysis	19
4	Four Motives of the Energy Transition: Description	21
4.1	Motive 1: Reduction of CO ₂ Emissions	22
4.2	Motive 2: Phase-Out of Nuclear Energy	23
4.3	Motive 3: Reduction of Dependence on Fossil Fuels	24
4.4	Motive 4: Promotion of Innovation/Export Opportunities for Germany's National Economy	25

5	Four Motives of the Energy Transition: Analysis	27
5.1	Four Motives: General Overview	27
5.2	On the Relationship Between Motives and Targets	27
5.3	Significance of the Quantitative Target Dimensions	29
6	Framework Conditions of the Energy Transition: Description	31
6.1	Security of Supply	33
6.2	Affordability/Cost-Efficiency	33
6.3	Market Economy in the Energy Sector	34
7	Framework Conditions of the Energy Transition: Analysis	35
7.1	Tensions	35
7.2	Is the Future of Germany's Electricity System Predetermined?	36
7.2.1	The Question	36
7.2.2	The Answer	37
7.2.3	Justified and Unjustified Discussions	37
8	Systemic Consequences	39
8.1	Types of Renewable Energy 1	39
8.2	Types of Renewable Energy 2	41
8.3	Grid Expansion: The Spatial Dimension	44
8.4	Volatility: The Temporal Dimension	47
8.4.1	Three Consequences	48
8.4.2	Five Options	49
8.4.3	Which Is the Best Option?	50
8.4.4	What Does this Mean for Germany's Electricity System?	52
8.5	Fragmentation of the Energy Landscape	53
8.6	Footprint, Physical Presence of Renewable Energies	55
8.7	Consequences for Conventional Power Plants	56
8.8	Systemic Consequences: Conclusion	59
	References	61
9	Summary from an International Perspective	63
 Part II The German Energy Transition: Where Does Germany Stand Today?		
10	Introduction	69
11	Current Status: Targets	71
11.1	Target 1: Shutdown of Nuclear Power Plants	71
11.2	Target 2: Expansion of Renewable Energies	71
11.3	Target 3: Increase in Electricity Efficiency	71
	References	72

12	Current Status: Motives	73
12.1	Motive 1: Reduction of (German) CO ₂ Emissions	73
12.1.1	The Facts	73
12.1.2	The Evaluation	74
12.1.3	Final Remarks on This Issue	75
12.2	Motive 2: Phase-out of Nuclear Energy	77
12.3	Motive 3: Reduction of Dependence on Fossil Fuels	77
12.3.1	The Facts	77
12.3.2	The Evaluation	78
12.4	Motive 4: Promotion of Innovation/Export Opportunities for Germany's National Economy	78
	References	78
13	Current Status: Framework Conditions	79
13.1	Framework Condition 1: Security of Supply	79
13.2	Framework Condition 2: Affordability/Cost-Efficiency	80
13.2.1	Preliminary Remarks	80
13.2.2	Clarifications	81
13.2.3	The Evaluation	82
13.3	Framework Condition 3: Market Economy in Electricity Generation	84
	References	86
14	Current Status: Systemic Consequences	87
14.1	Types of Renewable Energies	87
14.2	Grid Expansion	88
14.2.1	The Facts	88
14.2.2	The Evaluation	89
14.3	Volatility	90
14.4	Fragmentation of the Energy Landscape	92
14.5	Footprint, Physical Presence of Renewable Energies	92
14.6	Consequences for Conventional Power Plants	93
14.6.1	Recall	93
14.6.2	Market Data and Market Rules	93
14.6.3	Conclusion	95
	References	96
15	Summary	97
16	Conclusion from an International Perspective	99
 Part III The German Energy Transition: What Does It Really Cost?		
17	Introduction	105
17.1	Significance of the Costs	105
17.2	Three Phases	106
17.3	Methodology	106
17.4	Note for the Reader	107

17.5	Background: Mechanism of the German Renewable Energy Act (GREAA)	107
	References	108
18	Phase 1 of the Energy Transition (2000–2014)	111
18.1	Costs	111
18.1.1	The Facts	111
18.1.2	The Evaluation	112
18.2	Macroeconomic Effects—Trade Balance	114
18.2.1	The Facts	114
18.2.2	The Evaluation	115
18.3	Macroeconomic Effects—Internal Redistributions	116
18.3.1	The Facts	116
18.3.2	The Evaluation	116
18.4	CO ₂ Efficiency	118
18.4.1	The Facts	118
18.4.2	The Evaluation	118
	References	119
19	Phase 2 of the Energy Transition (2015–2030)	121
19.1	Costs	121
19.1.1	The Data	121
19.1.2	The Evaluation	122
19.2	Macroeconomic Effects—Trade Balance	123
19.3	Macroeconomic Effects—Internal Redistributions	124
19.4	CO ₂ Efficiency	124
19.5	Summary	125
20	Phase 3 of the Energy Transition (2030–2050)	127
21	Summary (Phase 1 and Phase 2)	129
22	Conclusion from an International Perspective	131
22.1	The Costs of the (Real) Energy Transition	132
22.1.1	Phase 1 (2000–2014): Learning Phase, Drastic Reduction in the Costs of PV	132
22.1.2	Phase 2 (2015–2030): Controlled Expansion of RE, Cost Degression Mainly for Wind (Offshore)	132
22.1.3	Phase 1 + Phase 2	133
22.2	The Costs of an Energy Transition in Germany Beginning in 2015	133
22.3	The Costs of an Energy Transition in Germany Without a Rapid Phase-out of Nuclear Energy	134
22.4	The Costs of an Energy Transition in Germany Beginning in 2015 and Without a Rapid Phase-out of Nuclear Energy	135
22.5	What Would an Energy Transition Cost in Country X?	136
22.5.1	Assumptions	137

22.5.2	Costs for a Typical OECD Country	138
22.5.3	Costs for Individual OECD Countries	139
22.5.4	Conclusion	139
Part IV The German Energy Transition: Lessons to Be Learned		
23	Five Answers	143
23.1	Is the Energy Transition Too Expensive for the National Economy?	143
23.2	Can Private Households and Businesses in Germany Cope with the Financial Burdens of the Energy Transition?	146
23.3	What Are the Actual Effects of the Energy Transition on CO ₂ Emissions?	147
23.4	What Lessons Can Be Learned from the Design of the Energy Transition?	150
23.5	What Lessons Can Be Learned from the Implementation of the Energy Transition?	152
Appendix		155