

Osservatorio Energia e Ambiente

THE GERMAN ENERGIEWENDE: A TITANIC BATTLE BETWEEN ENERGY POLICIES AND MARKETS

mercoledì 10 maggio 2017 – ore 18.00 – piazza S. Andrea della Valle, 6 - Roma

Almost twenty years ago, two major developments within the German power supply were set in motion - the subsidisation of renewable energy and the liberalisation of the generation and retail markets.

Both measures seemed right at the time and no-one drew attention to the potential inconsistency between them. However, due to extremely effective lobbying on the part of renewables manufacturers and the subsidy system running out of control, the renewables train rapidly gathered momentum and by 2010 it became clear how strongly the policy was colliding with the operation of the markets.

Ever since then politicians have been wrestling to recapture a stronger role for the markets, mainly to provide reliable investment signals and in due course to enable the phasing out of renewables subsidies. Whilst they have made some progress in introducing more market and competition elements into the renewables system, the reality is that the market has been reduced to the function of optimising the operation of existing plants and not providing the desired market signals for new investment of any kind.

At the retail level the high renewables subsidies and electricity tax have lifted the consumer prices ever higher above the true long-run costs, thus preventing electricity from playing its economically correct role in the overall energy supply and contributing to decarbonisation.

Prof. Graham Weale, Honorary Professor of Energy Economics and Politics at the Ruhr University Bochum (and previously Chief Economist at RWE AG) will present a paper describing the battle between the renewables policy and market objectives, leading into a discussion of the crucial question: does the German experience demonstrate conclusively that a strong renewables policy and a well-functioning power market are essentially incompatible, or could there still be a means for them to successfully coexist?

PROGRAMMA

Coordinamento lavori **Alberto BIANCARDI**, *Arel*

Relazione **Graham WEALE**, *Ruhr University Bochum*

Discussione, avviata da: **Giuseppe GATTI**, *Engie*
Francesco LO PASSO, *The Brattle Group*
Simone MORI, *Enel*