



March 2007

# For an Integrated Climate and Energy Policy

## Resolution of the Executive Board of the SPD

Berlin, 26th February 2007

**Under the Red-Green government, Germany pursued a long-term policy of innovation and investment in green technologies, energy saving and the reduction of green house gas emissions. As outlined in the following resolution of its executive board, the SPD now looks ahead to define the priorities for energy supply and climate policy for the years to come.**

We are at present experiencing a new phase of great growth and industrialisation in the global economy, but it is not yet clear whether the 21st century will bring the prosperity and development that are hoped for or whether this growth surge will push the planet up to or even beyond the limits of its maximum ecological capacity and precipitate global battles for a share of diminishing resources. For reasons of international cooperation and for the sake of world peace, we must find a way to secure resources in such a way as not to diminish the supply to other communities for whom they are equally indispensable. This applies to energy, raw materials, water and soil fertility.

A sufficient and affordable supply of energy will continue to be a decisive factor in future worldwide economic growth. Demand for energy worldwide will continue to grow. The International Energy Agency predicts that unless we do something to halt this trend,

growing worldwide demand for energy will lead to a doubling of environmentally damaging greenhouse gas emissions to a level of almost 60 gigatons per year by the year 2050. Of course, a commitment to climate protection will cost money, about 1% of global GDP, but what is also certain is that not doing anything to curb climate change will cost even more. If we do not implement counter measures, climate change will begin to be a threat to our economic development. Sir Nicholas Stern, former chief economist to the World Bank, predicts that the global economy will suffer losses of between 5% and 20% of GDP if climate change is allowed to progress unchecked. Social and ecological damage generated by climate change will negate the economic and social achievements of recent decades, will precipitate vast waves of refugees and lead to the outbreak of disease, wars and civil war in the fight for water. Climate protection is therefore not simply an ecological

problem, but above all an economic and security challenge.

We must act now - at domestic and international level. The next 10 to 15 years will determine whether we can still avert the worst effects of climate change. We must therefore put all our efforts into preventing global warming of more than 2° C above the pre-industrial level in the course of this century.

Climate protection and economic growth are not contrary concepts. The sooner we implement effective measures to prevent climate change, the less it will cost. Active climate protection will strengthen our economic power, create jobs and offer companies enormous additional opportunities for export. Companies which switch to climate-friendly energy technology, efficient use of energy and renewable energy sources will be ahead in the race to command the world economy.

That is why we need

- ambitious climate protection goals which encourage innovation,
- research and technology plus ambitious standards for significant increases in energy efficiency
- further expansion in the field of renewable energy sources,
- development of CO<sub>2</sub>-free energy technology in the field of fossil energy sources.

Germany and Europe must play a key role in developing this technology. That is why we support the EU's suggestion that the industrial nations should agree to strive for the goals enshrined in the Kyoto Protocol of jointly reducing their greenhouse gas emissions by 30% of their 1990 level by 2020. Germany has undertaken to reduce its emissions by 40%. The EU initiative of fixing an emissions reduction in Europe of at least 20% by 2020, independent of the outcome of the international negotiations, is the right message to be sending.

Germany and the EU should also commit to a goal of reducing 1990 levels of CO<sub>2</sub> emissions by 60% worldwide by 2050. In order to achieve this, it is necessary for the industrial nations to reach a reduction of 80%.

We support the proposed measures aimed at a considerable increase in energy effi-

ciency in order to achieve an energy efficiency increase of around 20% by 2020. This will require implementation of the Top Runner Principle initiated by the SPD in the Coalition Agreement, which foresees the replacement of wasteful appliances by energy-efficient ones as the standard by which all other appliances are measured and which those others must achieve within a few years.

We support the agreed overall goal of at least 20% renewable energy as a share of primary energy consumption in the EU by the year 2020, with binding sector goals for electricity generation, heating provision and fuels. That also means that we must provide more research funds for development of renewable energy sources.

We support a binding goal of mixing at least 10% bio fuel into fuel mixes by 2020.

We support statutory provisions limiting the emission of CO<sub>2</sub> for private cars by 2012 to 120 grams of CO<sub>2</sub> per kilometre with a gradual scale according to vehicle type. We must start working now on more ambitious goals for after 2012 in order to have our plans ready in time.

In addition

- we must exploit combined heat and power (CHP) resources by redrafting the legislation covering CHP. We want to double the contribution of CHP to 25% by 2020,
- we want to strive to establish an energy efficiency fund in order to encourage efficient use of energy in small and medium-sized businesses,
- we are in favour of speedy introduction of a need-based building energy passport, the continuation of the CO<sub>2</sub> building overhaul programme beyond 2009 and the acceptance of a much more advanced efficiency standard in energy savings regulations,
- a renewable energy heating bill should be made law this year, offering reliable promotion of the concept and including additional technology into this concept. In this field too we wish to see Germany in the vanguard of progress,
- we want to use the bill for a renewable energy law to expand power generation from renewables within the framework

of our solar energy strategy. A share of more than 20% is feasible by 2020.

In the domestic electricity and gas market there has to be a guarantee of open and non-discriminatory access for competitors. Previous options for the creation of more competition need to be checked, which includes measures such as a more pronounced division between grid and power station operation and a coalition of European grid agencies.

High oil prices are a challenge for people's mobility and the transportation of goods. It is therefore our aim to improve efficiency in the transport field, to research new technologies and to push for more development of alternative fuels.

Mixing biofuels with conventional ones is a first step in that direction. In addition, we support a bill for a new law on vehicle tax which takes CO<sub>2</sub> emissions – and therefore fuel consumption – into account instead of engine capacity. People whose vehicles use more fuel and therefore produce more CO<sub>2</sub> should in future have to pay more than those with low-emission vehicles. Car tax could be scrapped altogether for very low-emission vehicles.

Substitution of non-renewable energy must first be applied to those sources of energy whose reserves are likely to run out sooner rather than later, such as natural gas and oil, and to those which rely on imports. In the field of fossil energy that would mean domestic coal supplies would get preferential treatment. Coal will remain an important source of energy worldwide. For that reason we want to ensure that CO<sub>2</sub>-free power stations are developed no later than 2015 and that such technology would be the standard across the EU for new power stations. Nuclear energy is non-negotiable for us in the future. We are right behind the German decision to close down all nuclear power stations as agreed in 2001. Further use of the resource beyond the time agreed is unacceptable to us.

We want Europe to become the most energy-efficient region of the world, and we in Germany want to make a fair contribution to this goal: to achieve more kilometres per litre of fuel with innovations and state-of-the-art technology, and to produce more heat and more use of each kilowatt of electricity from every cubic metre of gas.