

# ECOFYS



sustainable energy for everyone



## How to build viable policies

around energy transition and climate  
change mitigation?

03/05/2017

Daniel Becker

# Viabile policies – some initial remarks

---

Traditional understanding of good RE/EE policy design:

- > Well designed instruments
- > Embedded in larger frame (e.g. energy & climate strategy)
- > Coherent with economic and administrative context
- > Stakeholder dialogue
- > Regular evaluation & adjustment

Status quo:

- > RE policies in the sense above very advanced
- > Mature set-up in many EU-MS and beyond
- > EE policies catching up – impressive tool box

⇒ Lots of good practice examples

⇒ Knowledge is available and accessible

# Policy making – What has changed 2007-2017

---

## Example: The Energy Efficiency Story

2007

- > hardly any EE policies were around
- > Many approaches were still rather theoretical
- > It was often doubted whether broad EE policies could address complex savings potentials

2017

- > Today, we have an impressive toolbox of policy instruments
- > Many of them are really good practice!
- > Decentral EU approach provides great variety

=> Yes we can! EU-28 has succeeded in developing good policies!

# Implementation?

---

- > Despite our proven ability to design good policies, our weak part is often implementation – why?
- > An instrument is as good as you make it / as you want it to be
- > If political will is missing, the best instrument will fail and/or will not be set up in an appropriate way
- > Often seemingly paradox situation: lots of good policy examples around, and excellent arguments for applying them, e.g. short payback times, multiple benefits BUT no ‚ownership‘ at nat‘l level => controversial debate, no clear direction => no implementation...
- > Often heard in EU context: ‚we must, because Brussels tells us...‘

# Narrative

---

Example from workshop with business stakeholders on policies in Denmark:

- > Question: which policies help to develop new business in RE and EE?
- > Answer: Instruments of secondary importance, as long as they are clear and reliable (well designed, easy to implement, no stop & go, no frequent changes => ‚need to survive next elections‘)

⇒ Essential for success was a ‚positive narrative‘ behind policies, convincing to a majority of the public and the stakeholders involved

‚This is why we want sustainable energies! Let’s do it!‘

⇒ Business stakeholders can rely on continuity and develop their activities in a stable long term set-up

# How do narratives evolve?

---

Aspect of narratives mentioned in our report to the EC on good practice policy making

Explored further: many more examples for policy success

e.g. German Energiewende – often asked:

‘why do Germans accept such ‘expensive’ experiment?’

⇒ Strong underlying narrative, acknowledged by broad political spectrum:

1. From ecological to industrial policy (jobs, regional economy)
2. Domestic contribution (+24% in 16 years) vs. import dependency
3. Ending cumbersome debates (old technologies, but also changing view on new ones) => making way for future oriented approach

Narratives only work in respective national contexts:

⇒ Develop own story, comprising multiple benefits of EE: energy security, technological innovation, job creation, regional added value, health, poverty reduction, ...

# Ingredients for ,viable policies`

---

- > Quality of policy instruments keeps being essential, but ,narrative` aspect should become integral part of ,viable policies`
- > Where question ,why are we doing this?` can be positively answered (creating broad acceptance), there is little to worry about success
  
- > We also need to recognise changes in international political landscape
- > Decarbonisation becomes irreversible
- > Several ,Game Changers`, e.g.
  - Reaching grid parity for PV and wind energy
  - China taking up new role
- ⇒ Motivation becomes broader than climate goals (,reaching targets`)
- ⇒ Technology leadership will play a key role in the future
- ⇒ Energy transition part of bigger picture, ,Fourth Industrial Revolution`

Future ,viable policies` need to consider these aspects!

# Way forward:

---

- > European countries have created themselves a good position in RE/EE/climate technology and innovation => will we maintain it?
- > Integral narratives explaining our motivation and ambition
- > **Set the right signs** underpinning the narrative:  
Nordic/Baltic countries can play important role, have interesting options, set examples:
  - > High potential for low cost wind offshore projects in Baltic Sea
  - > Become model region for regional co-operation (e.g. BEMIP)
  - > Break up nat'l energy planning by further integration of markets
  - > Strengthen regional energy planning (e.g. TSO competencies => reg'l entities)
  - > Joint wind offshore development
- ⇒ Interpretation of ‚building viable policies‘: Show what's possible, be innovative, and make clear statements about reasons & motivations, e.g.:
- ⇒ **‚Yes, we want to set an example – we want to be leading in this business!‘**



Please contact us for more information



**Daniel Becker**

Managing Partner

Ecofys Germany GmbH

Albrechtstraße 10c

10117 Berlin

Germany

T: +49 (0)30 297 735 79-0

E: [d.becker@ecofys.com](mailto:d.becker@ecofys.com)

I: **[www.ecofys.com](http://www.ecofys.com)**