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## Energy – the seventh Sustainable Development Goal

By Matthias Ruchser,  
*German Development Institute /  
Deutsches Institut für Entwicklungspolitik (DIE)*

# The Current Column

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## Energy – the seventh Sustainable Development Goal

Bonn, 9 March 2015. The seventh proposed Sustainable Development Goal (SDG), “ensure access to affordable, reliable, sustainable, and modern energy for all”, builds on the “International Year of Sustainable Energy for All” proclaimed by the United Nations in 2012.

But just what is affordable, reliable, sustainable and modern energy? The proposed SDG provides no answers or definitions in this regard. However, the Enquete Commission on Sustainable Energy Supply Against the Background of Globalisation and Liberalisation (*Enquete-Kommission, Nachhaltige Energieversorgung unter den Bedingungen der Globalisierung und der Liberalisierung*), set up by the 14th German Parliament, is more helpful here. The Commission argued that sustainable energy generation and supply must pursue three objectives: they must be socially responsible, they must make sparing use of natural resources in the long term, and they must protect the climate.

The concept of modern energy is much harder to grasp. For example, many countries consider nuclear power to be a modern, cost-effective and low-carbon form of energy, yet nuclear power does far worse than renewable energy sources in most life-cycle analyses with respect to environmental impact and costs. In Finland, work began on the construction of a new nuclear power plant on the island of Olkiluoto in 2005. The plant was originally due to be completed by 2010 at a cost of 3 billion €, but construction costs have already risen to 9 billion € and there is still no completion date in sight. Britain's Conservative government intends to guarantee French energy provider *Électricité de France* a 35-year feed-in tariff of the equivalent of approximately 125 €/MWh in return for the construction of the new Hinkley Point C power station. This tariff is far higher than the one offered for energy from renewable sources under Germany's Renewable Energy Sources Act (*Erneuerbare-Energien-Gesetz - EEG*). Nuclear energy is neither modern nor affordable.

Moreover, affordable and cheap are not the same thing; cheap energy leads to wasting energy. Instead of subsidising energy use, fossil-fuel subsidies should be reduced. The argument that energy subsidies improve the living conditions of poor population groups by giving them access to a basic energy supply has been adequately refuted. To reduce poverty effectively, it is necessary to use carefully targeted instruments to reach poor sections of the population.

The recent fall in crude oil and natural gas prices, while it will lead to an increase in global energy con-

sumption and, as a result, higher greenhouse gas emissions, also represents the best opportunity for reducing fossil-fuel subsidies. The funding that would be freed up as a consequence should be invested in transforming our energy systems from an un-modern, non-sustainable energy supply model based on traditional energies to a modern and sustainable one based on renewables and energy-efficiency.

The new feature of the SDGs is their universal nature, which means that they will also apply to Germany. But what does Germany need to do to achieve SDG 7? Germany embarked upon the road to a sustainable energy supply early on in 1999/2000 with the 100,000 roofs solar energy programme, the Market Incentive Programme for using heat from renewables, the environmental tax reform, the EEG and the limitation of the lifespan of German nuclear power stations. However, there was nothing resembling political or societal consensus at that time; it took the maximum credible accident at Fukushima for the Energiewende to emerge triumphant. Nonetheless, even now, Germany's energy transition cannot be taken for granted.

Its focus to date on the “electricity transition” and on limiting electricity prices has been too short-sighted, not least with a view to the post-2015 agenda and SDG 7. The Ukraine-Russia crisis catapulted the issue of fossil-fuel import dependencies to the forefront of political discussion. Heating alone accounts for half of Germany's total final energy consumption. While renewables became the primary source for gross energy production in the electricity sector for the first time in 2014, accounting for almost 26% of production, the fossil-fuel energy sources of crude oil and natural gas continue to dominate in the heating, industrial-process-heat and transport sectors. There is tremendous untapped potential here for increasing energy efficiency and making more widespread use of renewables. We should not conclude in the face of our dependency on Russian energy that we should diversify our supplier portfolio for primary energy sources by instead becoming reliant on other autocratic states. The key energy-policy challenge for Germany is to put the heating and transport sectors at the heart of the Energiewende and to accelerate the transition process as a whole. With the G7 Summit at Schloss Elmau in June 2015, Chancellor Merkel has an opportunity to drive the international energy transition forward, for example by pushing for the reduction of energy subsidies. This would send a strong signal to the international community about how the SDG on energy should be fleshed out.