

**Wuppertal Institut**  
für Klima, Umwelt, Energie  
GmbH

# Managing green rents – the German experience

**Workshop „Managing Rents“  
at DIE Bonn**  
6 – 7 November 2012

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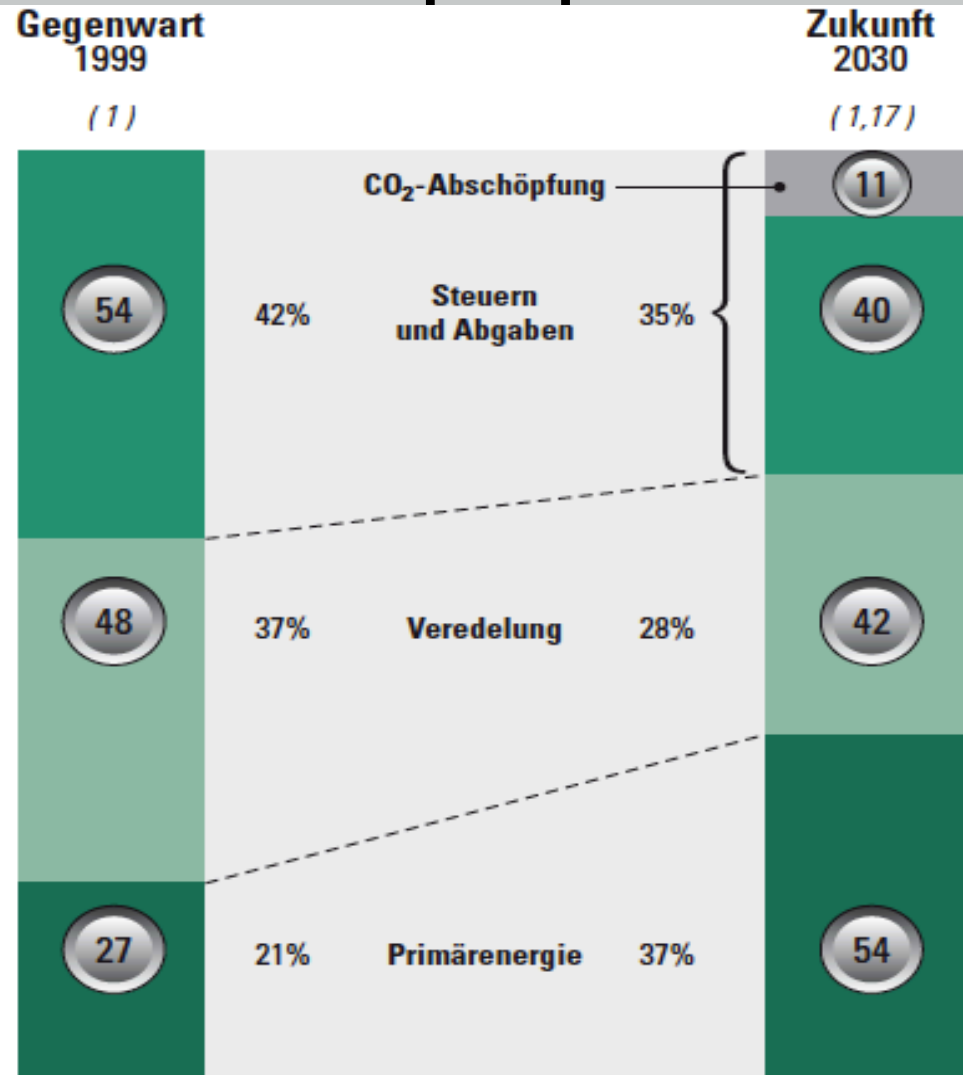
# What you will hear

- 1. 7 introductory remarks**
- 2. 3 issues re German experiences**

# Introductory remarks

1. **Rent concept in history**
2. **Resurrection of the concept in face of the leading challenge**
3. **Role in transformation**
4. **Role vis a vis external effects**
5. **EU ETS as flagship realisation**
6. **Fiscal aspect**
7. **What I learned yesterday – and will NOT make subject**

# The fiscal dimension: Germany's „monetary energy balance in perspective



Quelle: EWI / prognos 2005

Euro-Angaben bezogen auf das Jahr 2000

# German experiences

1. **Fiscal dimension**
2. **Utilities' behaviour and the distributive effect**
3. **Imputing full external cost  
outside market realisation, avoiding distributive effects**

# Distributive effects by making imputed rents to explicit ones

**„Germany intends to reduce the CO2 emissions from the power supply in the country by  $x\%$ . I.e.  $1-x\%$  of the CO2 emissions is still allowed.**

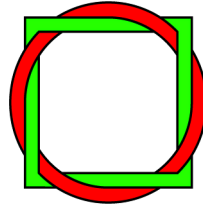
**For these legitimate emissions, for the rights to emit, the electricity customers have now to pay – their money may flow to the power plant owners (in case of granting emission rights) or to the state (in case of auctioning).**

**If electricity customers had only to pay the extra cost for the  $x\%$  reduction, the increase on their electricity bill would be much lower.”**

# Pro-active transformation is essential!



Quelle: Kopatz et al. 2010, S. 215.



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