Germany in the Midst of the Energy Crisis – a brief Policy Summary

Christian Noll | EUFORES | 22.10.2022
Energy prices and saving appeals take effect, relief packages cost hundreds bn Euro. No long-time solution for economy and consumers

- Gas consumption for current heating period seems to decline to last years’ minimum
- **But**: Behavioral and short-term policy measures have almost no long-term effect, medium-term measures without enforcement are not taken seriously (e.g. heating checks, hydraulic balancing)
- Gas storages are well filled for this winter (>90%)
- Relief packages cover some of the price burden, but: **insufficient relief for worst performing dwellings**
- Recent funding cuts for deep renovations
- Investments in climate friendly suggestions are put back (BDI SME-survey)

**Conclusion**: Economic recovery and escape from vicious energy circle needs investment campaign
Short-term measures aim to decrease consumption further and prepare for the upcoming winter...

Short Term Measure Ordinance (empowered by §30 EnSiG)

Valid from September 1, 2022 to February 28, 2023

Specifications for public non-residential buildings (ban on common area heating, maximum room temperature, etc.)

- Ban on heating private pools
- Duty to inform on price increases and potential savings for utilities & residential building owners
- Energy savings in businesses:
  - Prohibition on keeping store doors & entry systems permanently open
  - Restrictions on use of illuminated advertising installations
  - Lowering of minimum temperature for workplaces

Without enforcement consumption is likely to return to previous levels after regulations have ended.
..while medium-term ordinance introduces overdue measures in the building sector.

**Medium-Term Energy Supply Assurance Measures**

(empowered by §30 EnSiG)

*Enters into force on October 1, 2022 for a duration of two years (Sept. 2024)*

- Heating inspection/optimization obligation for building owners
- Mandatory hydraulic balancing of gas heating systems
- Obligation to implement economic energy efficiency measures in companies who are subject to mandatory audits and energy management systems

**Long term effects**

But as enforcement regulation is missing and thus not taken seriously
Energy Efficiency Act is a great chance to create long term stability. Key requirements are promising – but higher ambition is needed

Draft Energy Efficiency Act (Leak)

Energy Saving Targets (base 2008)

-37% primary and -24% final energy consumption in 2030
Annual saving targets for federal level (45 TWh/a) (action plan), Länder 5 TWh/a (2024-30), public bodies -2% FE p.a.

Missing ambition:

Below COM & EP positions: 41 % PE and 30% FE savings needed

Annual savings targets do not sum up to 2030 target
EEOS on DSOs recommended (additional / shadow regulation)

Industry

> 10 GWh/a EMS, >2,5 GWh energy audits
Implementation of cost-effective measures required
waste heat avoidance/usage, requirements f. data centers

Buildings

Regulated in GEG, adressed by action program, for public bodies EMS-requirement, „worst first” note

Energy Services

Quality requirements, limited anti-discrimination rules

Level playing field for ESCOs in regulation and funding
Why MEPS matter: Renovation of worst performing buildings

• Tenants in unrenovated buildings face extra heating costs of >8,000 Euro (apartment flat), >14,000 Euro for single-family homes
• Worst performing buildings (energy class G-H) are often rented out to low-income families
• German government is supportive for EU EPDD
• Waiting for EU decision will cost time and money!

Conclusion: Both EU and German policy makers need to decide on quick implementation of MEPS
Thank you

I look forward to your questions and comments!

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