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## German Sustainability Conference Report: Merkel on renewables

**Renewables to account for 80% of power production by 2050**

by [Jan Wagner](#) | June 26th, 2012

German chancellor Angela Merkel has described the nation's historic switch to renewable energy as both compensation for past industrial sins – and as a model for what other countries could be doing.

“Considering just the amount of greenhouse gas we alone have released into the atmosphere, switching to renewable technology is like repaying a debt,” Merkel told the annual conference of Germany's Council for Sustainable Development (RNE) in Berlin yesterday.

“But our efforts also show other countries, particularly those that are rapidly industrialising, that switching to renewables can work,” she added. To back this up, she cited her government's forecast that renewables will account for 35% of its electricity production by 2020. Reaching this goal will mean an end to dependence on nuclear power. By 2050, the government expects as much as 80% renewables.

To achieve these targets, the German government is counting on a massive build-up of wind power, both on- and offshore. Financing the wind parks themselves has so far not posed too big a problem. The real challenges lie in connecting offshore wind parks to the national grid and transporting the power to southern Germany (RI analysis). Merkel said the government was doing its utmost to enlarge the nation's electricity grid.

“This of course means that our citizens will have to bear the erection of new power lines,” she added, pointing out that an underground solution would be too costly.

Merkel's comments coincided with a study from HypoVereinsbank which said the country's energy shift would cost €335bn. Of that €85bn would go to infrastructure while some €250bn would be needed for support payments to renewable energies.

### *“Switching to renewables can work”*

RNE chairwoman Marlehn Thieme floated the idea of extending Germany's Sustainability Code to governments. The code, launched last autumn, was originally intended for corporations and has since attracted some big multi-nationals.

Merkel answered that governments were doing precisely this by working towards balanced budgets.

At the event, former Allianz Global Investors CEO Joachim Faber moderated a panel on sustainable investing. The consensus was that growth in sustainably managed assets was mostly taking place in Europe, with some markets reporting growth rates of 20% annually. According to Faber, Europe has \$5trn in assets managed sustainably and the US \$3trn.

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