

## The Man behind Germany's Renewable Energy Sources Act

Hans-Josef Fell, a German parliamentarian and spokesman for the country's green energy policy speaks about Germany's Renewable Energy Sources Act (EEG) and how Malaysia can successfully emulate this Act.

The German Renewable Energy Sources Act is regarded as the world's most successful law for the introduction of renewable energies in the power sector. Germany's Renewable Energy Sources Act has given Germany a large internal market and brought about a tumultuous series of innovative developments in wind energy, photovoltaics, biogas, wood-generated electricity and vegetable oil-fired district heating plants.

The Act has been significantly more successful than anyone could have predicted. In 2000, the Act included the aim of doubling the share of power demand by renewable energies to 12.5% by 2010. However, by the end of 2009, renewables had gained a market share of 16.3% in Germany as compared to 15.1% in 2008. The effectiveness of the Act is due to the principle of cost-covering feed-in tariff. The feed-in tariff is oriented consistently towards the minimum economic requirements of investors in the generation of power from renewable energies.

With the rising demand for fossil-fuels, these resources are fast depleting. According to Hans-Josef Fell, there is a dire need for the world economy to switch fast from fossil-fuels to renewable energy. "Renewable energy is emission free and therefore the best climate protection tool there is. They do not produce local environmental damages such as the current oil spill in the Gulf of Mexico. So the one great advantage of renewable energies is the avoidance of external costs caused by damage to the environment. Renewable energies do not suffer from scarcity problems such as oil, gas and uranium.

In fact, they create new jobs, new industrial opportunities and benefits the national economies".

Malaysia still largely depends on fossil fuels such as coal, oil and natural gas which accounts for 85% of total electricity generation in the country. Renewable energy meanwhile only makes up 1% of the generation of energy. However, sustainability has become a theme high on the Malaysian government's agenda. This was proven with the launch of the National Green Technology policy last year, and a target to increase the usage of renewable energy to at least 9% by 2020.

"For Malaysia, a mix of renewable energy such as solar, wind, water, biomass and geothermal energy is necessary to achieve sustainability. A mix of these resources can provide 100% reliable energy since biomass or one of the other resources can balance the up- and downturns of solar and wind energy", Fell explains.

One decisive factor in the success of the German Renewable Energy Sources Act is the fact that no taxpayers' money or any kind of subsidy is spent to finance investments. The feed-in tariff is funded by a modest increase in the power tariffs for all power customers.

"What makes renewables hard to compete in Malaysia is the high subsidies for fossil energies which make the price of oil, uranium or coal seem cheaper. Even today, the prices for generating power using wind is cheaper than using coal and nuclear energy if a new power plant is constructed", he adds. Fell advised

that in order for Malaysia to successfully follow Germany's footsteps in the renewable energy sector, all subsidies for fossil energies have to be stopped.

The Malaysian Renewable Energy Act is currently being drafted by the Ministry and is expected to be tabled in Parliament in October. ▼

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*Hans-Josef Fell, MdB is a Spokesperson on the Energy Policy for the Green Parliamentary Group in the German Bundestag. Together with other Members of Parliament, he invented and politically implemented the Renewables Energy Sources Act (EEG) in 2000. He is also the Vice President of EUROSOLAR and is constantly fighting for more renewables and therefore for climate protection.*