Jürgen Trittin

Climate protection is paying off

Ladies and Gentlemen,

Mr. van Oostrom,

Thank you so much for your kind invitation to this **historic place.**

Being the **first department store**, it became - after the disappropriation of its **Jewish owners** - the **office of the Hitler Youth** and, later on, the nicely called **„House of the Union“**, the **headquarters of the Communist Party SED** that was

formed by the forced union of the *German Social Democratic Party* (SPD) and *the Communist Party* (KPD).

Finally, it served as **office of the Institute for Marxism-Leninism** and is nowadays *THE* place-to-be for Hollywood stars and VIPs **– ask George Clooney.** A building whose historic atmosphere is still impressive and exciting.

When this house was built, the term of the **„new objectivity“** resounded throughout the land. Terms like energy *efficiency, saving resources or waste heat recovery* were unknown to the architects back then.

The former director of the *Bauhaus Foundation* in Dessau, *Omar Akbar*, believed that the famous building served as a negative example at

one point. I quote: *„Sweating in the summer time and freezing in the winter time – a completely failed construction.“*

You have done a far better job today.

I really wish that the building that was inaugurated by you, Mr. *van Oostrom*, **will be blessed with a less exciting history** than the building we are in right now.

Yet, I also wish you and all of us that your building will be **history in the making!**

The „greenest“ office-building in Berlin. One of the „greenest“ buildings in Germany. That is kind of a benchmark you are setting!

You were honored for that by the *German society for Sustainable Construction* and praised by *Prof. Alexander Rudolphi*. So far – so good.

However, Isn't it kind of irritating that this benchmark is achieved with **86.6% degree of performance** in the capital of the **so-called leader in energy transition?** This leads to the assumption that the rest of Germany's **office buildings are not in the best condition**.

And this leads me to the core argument I would like to discuss tonight. It's the construction industry (and also the finance industry) as investors in the real economy that are the key industries regarding the main challenge of today: **climate change.**

1 Climate Change

Let's make one thing clear: climate change with all its consequences such as **loss of natural habitat due to rising sea levels and drought, damage caused by extreme weather events, millions of people fleeing from destruction, a severe damage of biodiversity.**

All of this doesn't only concern environmental activists or nature lovers. It concerns all of us and is a very severe problem for our economy. It concerns **economic growth**, it concerns **investment**, **import, international trade policy, transportation, agriculture**.

And, moreover, it's a question of **peace and global security.**

Our way of life and our way of producing goods are consuming an immense amount of natural resources, most of all the so-called fossil resources (coal, oil, natural gas). But also mineral resources and construction material.

We always thought that the answer to this question will simply be the finite nature of resource supply. When the supply peak is reached, the end is near.

But it's not as simple as that. This is a lesson that we, and also the ecological movement, had to learn:

The supply of most of the resources is finite, but still **quite large**. And they are partly not even known yet. New sources are discovered and new methods of exploitation are developed.

Just to give you a few examples: The supply of iron ore will last for 75 years, copper ore for 39 years and bauxite for 133 years.

As to fossil resources, there too, **the problem isn't their finiteness**. Estimations of experts concerning the global availability of coal vary between 112 years und 136 years. Conventionally produced natural gas will last for more 59 years. With fracking even longer. We will even not be out of oil very soon. The estimated availability of conventionally produced oil amounts to 42 years, considering unconventional exploitation methods it even amounts to 55 years.

But let me underline the importance of something different:

As a member of the Green Party, I am not happy about the fact that we are able to continue to burn a huge amount of coal, natural gas and oil. **Because it accelerates climate change.**

Considering this fact, we have to accept that the end of the fossil economy **will not only be determined by scarcity and price**. That's why we desperately need **a political framework here**.

We just can't wait until fossil fuels are getting so expensive that the market itself requests an energy transition. We just can't wait until climate is destroyed once and for all.

The real limit of the exploitation of resources is not their finiteness. It's the fact that their **exploitation, production and consumption cause disastrous ecological damage**.

If you are serious with the **2° C target of climate** protection, the **total amount of CO2**, that can be emitted, **amounts to 800 giga tons**. That's not even half of today's supply of oil, natural gas and coal that can be burned.

That's the reason why the Tea Party's slogan *»drill, baby, drill«* must change *into »chill, baby, chill«!* Slow down!

2 Carbon Bubble

I would like to add an analysis that may be of interest to banks and investors, too.

Right now, many investors are investing huge amounts of money in fossil resources. Carbon assets such as coal mines, fossil fuel power stations and petrol-fuelled vehicle plants represent

at least **7 trillion dollars on the books of publicly listed companies**, and about twice as much again is owned by private companies, state governments and sovereign wealth funds. Let's have this clear: **We are talking about more than 25% of the global GDP!**

That ist a real problem.

If we want to reach the 2° C target, **we must not burn these fossil resources**. Even if you raise the 2° C target to 3 °C (which would be highly dangerous), we couldn't burn the available energy resources that are exploitable so far. So this means, as a consequence: **That's dead capital.** Not worth a dime.

The world is on the **brink of the "largest bubble ever" in finance**, the ***Carbon Bubble,*** with banks

and investors risking billions of dollars by investing in the destruction of our climate. I'm sure that this cannot be a recommendable portfolio strategy.

And that's only my opinion as a member of the Green Party, but also the opinion of banks such as *Citigroup* or *HBSC*.

HBSC even estimates its possible loss of money up to 60% of its company's value, if the bubble bursts one day.

So this is the lesson we have to learn, for economic and climate reasons: No more fossil energy!

As you can see, there are several reasons, why investments in fossil resources do not and must not pay off.

On the contrary: Investments in climate protection should pay off because they are necessary.

And there is no alternative to our ***Triple-E-Strategy*** that promotes Renewable **E**nergy, Saving **E**nergy and **E**nergy efficiency.

Some believe that there is a short cut to avoid the carbon bubble named nuclear. But this abbreviation is aberration.

Form a German point of view it is easy to say. In the last 10 years every year some **20 to 30 billion Euros have been invested in new electricity capacities**. Today we produce **one third** of our electricity by renewables – much more than nu-

clear ever has done. We have severe **overcapacities** and **export** as much electricity as never before.

But this is not the normal European situation. In many countries there are no or to little investments. The number of **nuclear power plants** in the European Union is **shrinking**. Even in France the investments will not be able to substitute the old nuclear stations.

The reason is simple.

Nuclear is not competitive.

Since the late 70s in the US – since *Harrisburg* – there has been no order of a new nuclear power plant. And fracking makes it more unlikely.

The latest example is the new 3rd generation reactor in Finland. One of two nuclear power plants under construction in the whole EU.

It split a red-green government. It promises to be build for a fixed price of **3 billion Euros** and should **start in 2009**. Now it will **not** produce before **2018** and *Areva* provisions built additional **3.9 billion Euros** until today.

That means 1 kWh from this power plant will cost **more than 15 Cent**. A modern **wind** turbine produces for **6-7 Cent**, a fossil plant for **8 to 11** Cent and even PV in Germany for some **10 Cent**.

The actual price at the EEX in Leipzig for a kWh is **4,1 Cent.**

We have to walk on the ***3-E-Line***.

3 Investments in efficiency

Back to the construction industry.

Roundabout 40% of our energy is consumed in buildings today. We consume an immense amount of energy for heating and we are emitting greenhouse gases. But a lot of this energy for heating is **just wasted** because of bad insulation of buildings.

That's wasted money. Plus: Heating is getting more and more expensive and prices continue to rise more than the wages. So that's very bad news for the poorer households.

As a conclusion, we urgently have to address the problem of **thermal insulation** in favor of our climate and social justice. We need far stronger efforts than our government is willing to make.

Three quarter of the 17.3 million houses in Germany were built before 1979 and are **very badly insulated.**

In all of the northern industrial states like Germany, **75 to 90 percent** of the current houses will still be **habitable in 2050**.

All these building could be **CO2 neutral until 2050**. Your building is the best example for that!

To achieve this aim, every year, we have to energetically reconstruct **3% of the houses**. That's a very ambitious aim, I have to admit. Yet, until today, it's not even 1 % in Germany.

It will last a hundred years, to reach the goal.

And the Grand Coalition is far from making great efforts on accelerating this development.

But it works!

We have to increase the financial incentives by the KfW program and by an energy saving fund. We also have to address this problem by subsidizing energy for poor people.

This also makes sense from an economic point of view!

The German Institute for Economic Research (DIW) claims that increasing the reconstruction rate **up to 2% will create 30.000 new jobs**.

For 2030 this means, that 9 billion Euros invested, would create a saving of 11 billion Euros of energy costs. 2050, 14 billion invested would create a saving of **32 billion of energy costs**.

That's a huge return on investment, ladies and gentlemen!

So, my key argument ist: Climate protection is paying off!

And it makes you independent.

Whis this strategy, we could save up to **400 TWh of natural gas in the year 2030**. That's the amount we currently import from Russia every year.

During the past year, there were a lot of vital discussions about taxes and a fair fiscal policy.

Please don't worry, I don't want to rip you off! On the contrary, I would like to show you how you can save taxes:

Germany has demonstrated how successful a reconstruction program can be, if you look at the reconstruction of the houses of the former GDR after the reunification. Look to the neighborhood here at *Prenzlauer Berg*

Those who, back then, invested in the reconstruction, saved taxes. We need such an **incentive also for the thermal insulation** of today's buildings.

You could now argue that rich people would always be better off, because they are the ones you can afford investing.

It's true, only those who have enough money, can invest. But that's exactly, what we want. Money should be invested in **regional value**

added and **in climate protection** instead of investing the money in speculation and state debt.

There's much being said about **greed in the financial sector**. Well, let's use this greed for something helpful and necessary! The value added to climate protection will soon increase possible tax deficits.

Such shift in Energy Policy needs reliability. To put these investments into effect, we need not only money, but also reliability. So basically the contrary to what the Grand Coalition has done so far in the field of renewable energy. Now, investments, for example in the solar sector, are not reliable anymore, because this works as a *„first come, first served"* principle.

But we need this reliability and we can achieve this by establishing **reliable CO2 reduction targets who are valid per year**. Our Party has proposed a *climate protection bill* which contains all these targets and instruments for **all the sectors of society: industry, transportation, thermal and households.**

And reliabilty also means: You will benefit from it.

Thus, this money has to be invested in reconstruction and the new construction of energy efficient buildings. It is a good signal for the construction as for the financial industry.

And this, ladies and gentlemen, might really benefit the climate.

Thank you very much.