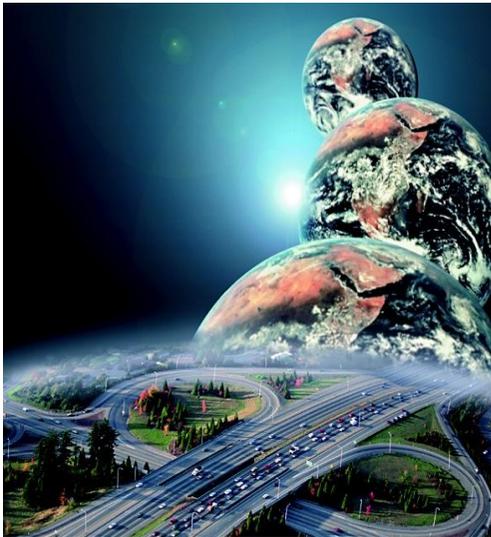


Wuppertal Institut
für Klima, Umwelt, Energie
GmbH



The wave of remunicipalisation of energy networks and supply in Germany

ecee Summerstudy
June, 1.-6. 2015

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Transport and Climate
Policy

120 Start-ups of municipal energy suppliers

72 municipal energy suppliers (Stadtwerke)
were founded between 2005 and 2012.
+ 48 until 2014

15% of all Stadtwerke are new enterprises

WHY?

Legende:

★ Neugründung

**Cluster 1
Hamburg Schleswig**

Stadtwerke Brunsbüttel
Stadtwerke Uetersen
Energie Rellingen
Gemeindewerke
St. Michel Energie
Hamburg Energie

**Cluster 2
Großraum Hannover**

Gemeindewerke Wietze
Gemeindewerke Wedemark
Stadtwerke Elm-Lappwald
Stadtwerke Gifhorn GmbH
Gemeindewerke Uetze
Gemeindewerke
Peiner Land

**Cluster 3
Region Wolfsburg**

Stadtwerke Springe
Stadtwerke Weserberg
Netzgesellschaft Hessisch
Oldendorf
Mindener Stadtwerke

**Cluster 4
Ostwestfalen - Münsterland**

Stadtwerke Harsewinkel
Wadersloh Energie
Gemeindewerke
Bad Sassendorf
Hochsauerland Energie
Gemeinsame Stadtwerke
Münsterland

**Cluster 5
Region Kassel**

Stadtwerke Pulheim
Stadtwerke Rösraht Energie
Stadtwerke Lohmar
Ahrtal-Werke
Stadtwerke Waldbröl
Energie + Wasser für Wachtberg

**Cluster 6
Region Rhein-Neckar**

VES Sersheim
Stadtwerke Ditzingen
Stadtwerke Stuttgart
Remstalwerk
Stauferwerk
Energieversorgung Bad Boll
Energieversorgung Lenningen
Gemeindewerke Ammerbuch
Gemeindewerke Plüderhausen
Stadtwerke Böblingen

**Cluster 7
Schwarzwald**

Stadtwerke Erbsen
Energieversorgung
Gemeindewerke Umkirch
Energieversorgung Titisee-Neustadt
Stadtwerke Müllheim Staufeu
Regionalwerk Hochrhein

**Cluster 8
Bodensee**

Gemeindewerk Allensbach
Hagnauer Gemeindewerke
Regionalwerk Bodensee
Gemeindewerke Sipplingen

**Cluster 9
Region München**

Stadtwerke Pfaffen
Stadtwerke Lands
Gemeindewerke Windach KU
Energieversorgung Olching
Regionalwerk Würmtal
Energieversorgung Putzbrunn
Gemeindewerke Gräfelfing
Gemeindewerke Oberhaching



Assessment regarding the prospects of success

What are the motives for local politicians to establish new municipal power utilities?

Is the achievement of political / economic targets likely?

Evaluation by external experts from research and practice

Review of the German trend towards municipal ownership of local utilities

10 targets related to the energy transition, climate protection, and the local economic impact:

1. Achieving environmental objectives and organization of the local „Energiewende“
2. Higher local added value
3. Harnessing tax regulations for improving municipal services
4. Improving the income situation of the city
5. Democratization of supply and stronger orientation towards the common good (public value)
6. Creating and protecting good jobs
7. Acting in social responsibility in energy supply
8. Expansion of eco-efficient energy services
9. Harnessing customer relations and public image
10. Materialising synergies with other sectors

A strategy to develop the primacy of local politics



Analysis of the business segments at all stages of the value chain

Extension of the value chain in the context of a quality competition.

Strategy approach: Remunicipalisation and the municipal energy supplier in the role of local energy provider



Municipal utilities usually aim to be a player along the entire value chain:

- procurement
- production
- supply and
- network operation

Result:

Appraisals concerning the achievement of the ten targets

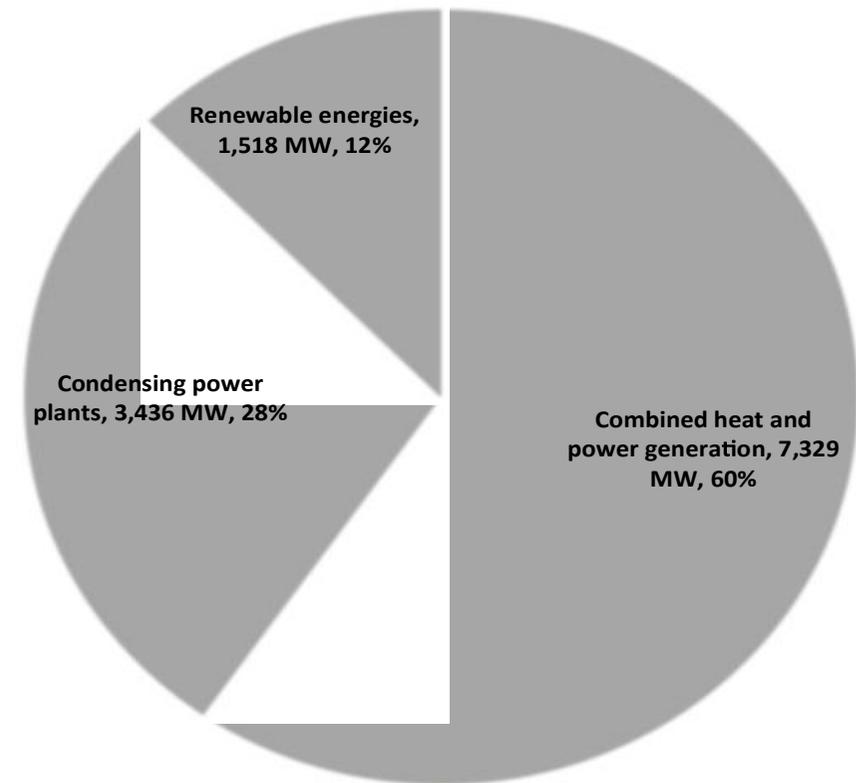
target	very likely	likely	unlikely	very unlikely
 1. Achieving environmental objectives and organization of local „Energiewende“	5 •	14	5	0
2. Higher local added value	11 •	7	0	0
3. Harnessing tax regulations for improving municipal services	7 •	3	1	0
4. Improving the income situation of the city	11	6 •	1	0
 5. Democratization of supply and stronger orientation towards the common good (public value)	12 •	21	2	1
6. Creating and protecting good jobs	16	11 •	2	1
7. Acting in social responsibility in energy supply	1	8 •	2	1
 8. Expansion of eco-efficient energy services	8	22 •	6	0
 9. Harnessing customer relations and public image	9 •	13	2	0
10. Materialising synergies with other sectors	10	16 •	14	0
Total	90	121	35	3

Municipal energy suppliers go for a decentralised power supply

Energy generating capacity (MW) of municipal energy suppliers in Germany in 2012

Compared to this, the renewable energy share of the big 4 energy companies RWE, E.ON, Vattenfall and EnBW is approximately 5 per cent.

Municipal power utilities engage significantly more strongly in the expansion of renewable energies than the four large private energy companies.



Target 1:

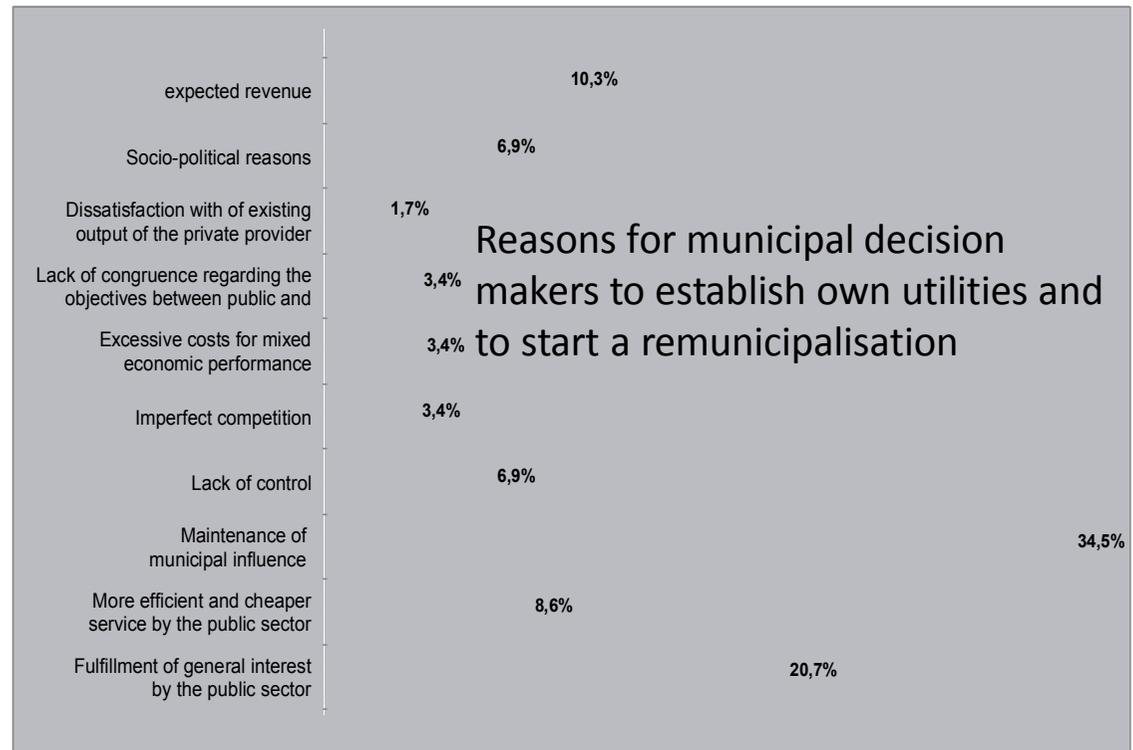
Achieving environmental objectives and organization of local „Energiewende“

very likely	likely	unlikely	very unlikely
5 •	14	5	0

Maintenance of municipal influence

Features of municipal utilities

- Communication and disclosure of the strategy
- Financial participation (e.g. climate savings bonds)
- Involvement / engagement in "Local Agenda 21" projects
- Strong local political influence in the supervisory bodies
- Profits from the local energy supply are part of the public value



The features of municipal utilities help to maintain local influence

Target 5:

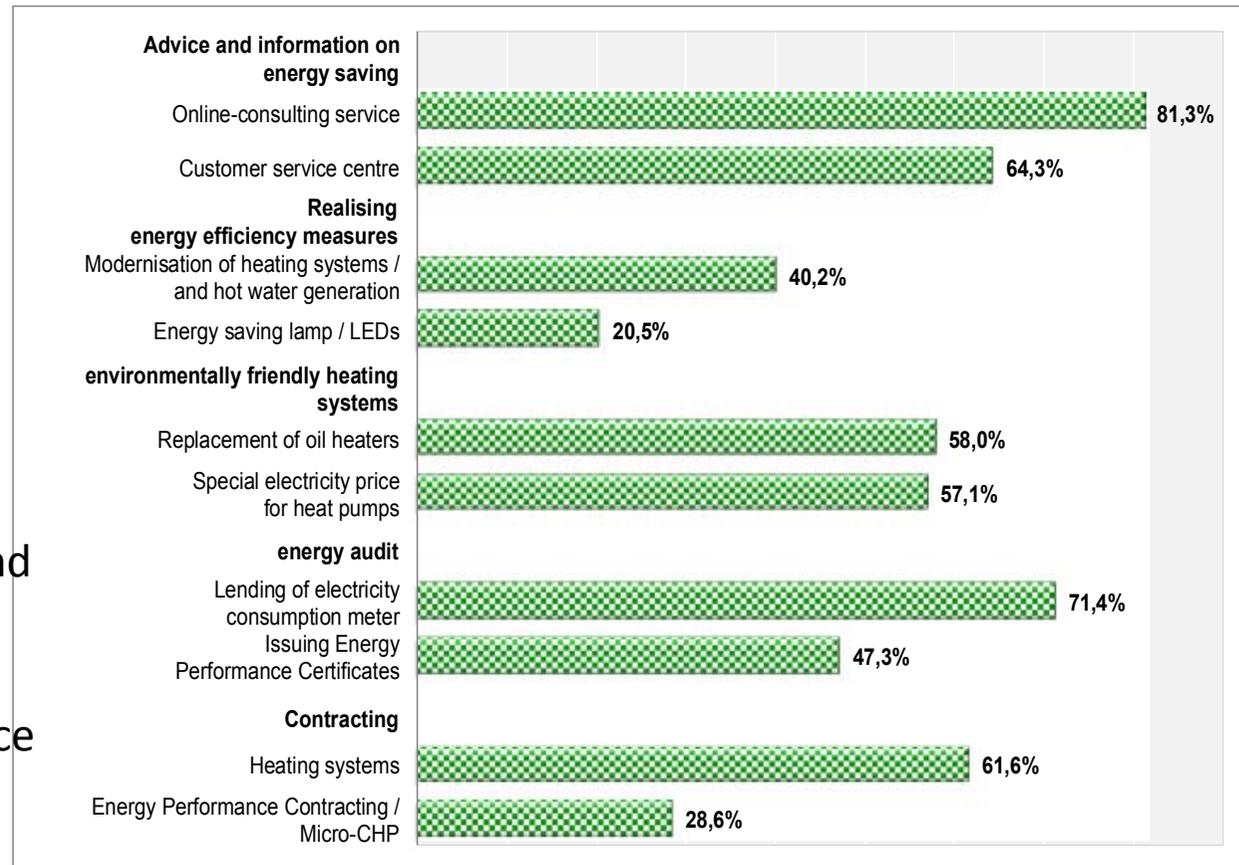
Democratization of supply and stronger orientation towards the common good (public value)

very likely	likely	unlikely	very unlikely
12 •	21	2	1

Goals of energy-efficiency policy at local level

Many public utilities offer eco-efficient energy services

The municipal utilities are increasing their reliability as a customer-oriented company and can improve their customers' loyalty. Customers receive incentives and support to reduce their energy bill.



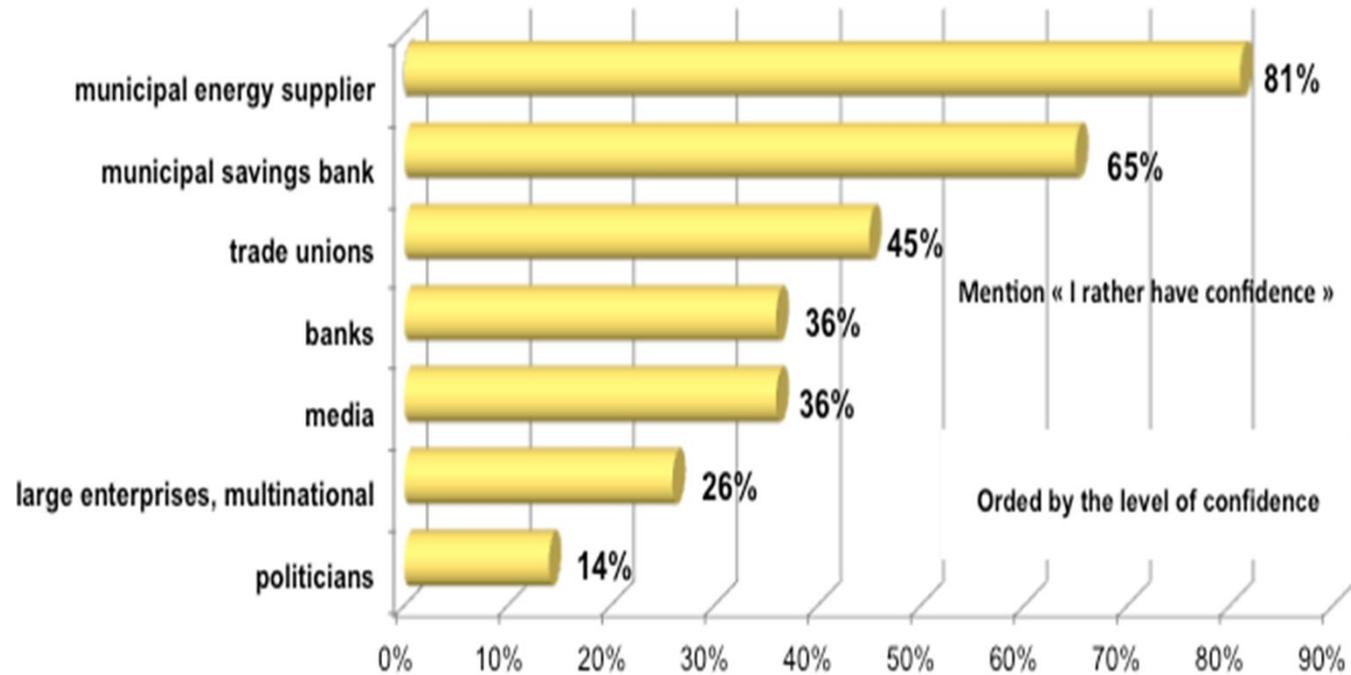
Target 8:

Expansion of eco-efficient energy services

very likely	likely	unlikely	very unlikely
8	22 •	6	0

People trust the municipal energy suppliers

There is no other institution people trust more in than municipal / local energy suppliers.



Target 9:
 Harnessing customer relations and public image

very likely	likely	unlikely	very unlikely
9 •	13	2	0

Appraisals concerning the achievement of the ten targets

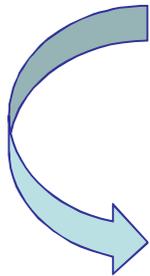
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10. Materialising synergies with other sectors	10	16 •	14	0
Total	90	121	35	3

Conclusion and outlook

- Remunicipalisation is a good opportunity to achieve local goals.
- Municipal utilities offer multifaceted opportunities and benefits for the local government.
- Stadtwerke can play an important role in the energy transition.

But:

- Analysing the remunicipalisation of public services is in its early stages
- There is still a tremendous need for research



The current state of research into the topic of remunicipalisation is far from being extensive

questions are:

- Are new Stadtwerke economically successful?
- Are there sustainable effects on the local energy policy?
- Can an international bandwagon effect be observed?

www.stadtwerke.jp

Stadtwerke Bristol

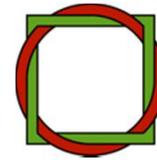
Korea

독일의 에너지 재지역화와 시영회사의 설립 지자체의 책임에 의한 에너지 공급

2013년 9월, 부퍼탈 연구소(독일)
 저자: 쿠르트 베르토(Kurt Berlo) 올리버 바그너(Oliver Wagner)
 번역: 염광희(베를린자유대학 환경정책연구소)



The principal of German Stadtwerke – a model other countries?



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Many thanks for your attention!



more information:

www.lokaler-klimaschutz.de
www.wupperinst.org