



Mr. Jeffrey R. Immelt

General Electric Deutschland Holding GmbH
Bockenheimer Landstraße 2-4
60306 Frankfurt am Main

open letter

Interview in "Handelsblatt" June 21st 2013

Berlin, June 25th 2013

Dear Sir,

As described in great detail in the weekend edition of the „Handelsblatt“, you were guest of honour at the “Handelsblatt” Germany Dinner, where you discussed the "Energiewende" with chief editor Gabor Steingart. As the corresponding article points out, this is “one of the most important issues that currently cause concern in Germany”. Mr. Steingart encouraged you to take an independent view on this topic, so that Germany gets a "second opinion".

Indeed, we welcome a lively exchange with important decision-makers like you. However, such an exchange has to be based on transparent and robust facts. In this regard, your statements concerning the "Energiewende" surprised us. The “Handelsblatt” quotes you as follows:

“A reliable climate policy should strive for a balance between cheap energy, climate protection and job creation...If you operate a steel plant in Texas, you pay 5 Cents per kilowatt-hour of electricity. A plant in Germany has to pay 20 Cents. This destroys jobs in Germany ... However, I believe that this energy policy is not sustainable in the long-term.”

These numbers were raised as your key argument and meant to prove that the “energy policy is not sustainable in the long-term”. According to the information available to us, they are utterly wrong and misleading. Steel plants in Germany currently pay an average electricity price of less than 4 Ct/kWh. This represents only one fifth of the magnitude you mentioned. The electricity price in Germany is composed of:

- 3.8 Ct/kWh current price for forward deliveries at the electricity exchange
- minus 0.3 Ct/kWh compensation for the CO₂ share in the electricity price
- steel plants are also largely exempted from the Renewable Energy surcharges (e.g. EEG) as well as from most grid surcharges (subsidised by private households and the non-energy-intensive small industry). In addition they benefit from the surplus of ETS allowances in the sector.

In contrast, you say: “5 Cents in the United States compared to 20 Cents in Germany – these are the facts.” These flawed numbers add to those unreliable informations currently used in parts of the German media regarding the "Energiewende". This creates major difficulties for the public and foreign countries to appropriately evaluate the “Energiewende”. Do we agree on following facts?

- Current electricity prices for the German energy-intensive industry have never been lower since the beginning of 2005.

- Since 2007, the electricity price for the energy-intensive industry in Germany has increased less than in the majority of EU member states.
- In particular the energy-intensive industry has benefited from extensive privileges such as far riding exemptions from grid charges, the compensation for the CO₂ price share in the electricity wholesale price and the free allocation of allowances within the EU-Emissions Trading Scheme.

We too have an interest to see the "Energiewende" implemented in a way that fosters innovation, creates jobs and takes the competitiveness challenge seriously. We need a debate but it should be based on reliable facts.

We therefore would like to propose a dialogue to you to discuss in more depth our respective points of view on the "Energiewende".

Sincerely,



Eberhard Brandes
CEO WWF Germany



Klaus Milke
CEO Germanwatch e.V.



Stefan Krug
Policy Director Berlin Office
Greenpeace Germany



Olaf Bandt
Policy Director
BUND