



Dr. Dietmar Edler is a Research Associate in the Firms and Markets Department at DIW Berlin

SEVEN QUESTIONS TO DIETMAR EDLER

»Energy Upgrades: the Longer You Wait, the Harder It Gets«

1. Dr. Edler, the energy transition is intended to enhance energy efficiency, among other things. What are the German government's targets? The government aims to achieve an average annual increase in energy efficiency of a good two percent long-term. If these targets are met, Germany will have accomplished far more than in the past. This makes it clear that additional efforts and measures are necessary.
2. Which areas are most promising for improving energy efficiency? Significant progress must be made in space heating in particular. This includes all energy upgrade measures that contribute to reducing energy consumption in buildings in general as well as in housing.
3. DIW Berlin conducted an analysis of the economic effects of accelerated increases in energy efficiency especially concerning energy upgrades for buildings. Is this likely to have a negative impact on the economy or possibly even result in an economic upturn? Our studies have shown that in the long term, the cost savings significantly outweigh the necessary capital investments. Increased measures in this area could serve as a stimulus for economic growth. If efforts to initiate these measures are successful, the German economy would grow more strongly in the medium and long term than without them.
4. How large are the effects on incomes and employment? Our studies show that stronger growth is linked to rising incomes and an increase in the value-added of the economy. The employment effects depend on various labor market conditions. The measures to increase energy efficiency take effect by making it possible to utilize new production factors of the economy, for example, by increasing labor productivity or recruiting additional labor.
5. The German government aims to double the rate of building renovation to upgrade energy performance. Does this mean the problem has been identified? The problem has been recognized, but the necessary measures that could help meet the goals set have not yet been taken. The longer you wait, the harder it gets to actually achieve the original targets. After all, these measures involve significant investment and thus also adjustments in the construction industry and other sectors of the economy. The longer you wait, the harder it gets to change course to the necessary path of modernization.
6. How high do you estimate the actual investment needs to be? Our analyses focus on examining the energy-related additional investments required for successful energy upgrades. According to our calculations, they amount to between seven and 14 billion euros. But those costs are offset by significantly higher energy savings. In the long term, cost savings far exceed annual investment.
7. How important is increasing energy efficiency in the context of the energy transition? Energy efficiency is the determining factor for the development of the economy's energy consumption overall. For example, targets for expanding renewables are measured against energy consumption. But if we do not succeed in lowering energy consumption by way of accelerated energy efficiency measures, as intended in the energy transition, it will also be very difficult to meet the targets set for increasing renewables as a fraction of energy consumption. This is why enhancing energy efficiency is of central importance to the energy transition.

Interview by Erich Wittenberg.

DIW Berlin–Deutsches Institut
für Wirtschaftsforschung e. V.
Mohrenstraße 58, 10117 Berlin
T +49 30 897 89 -0
F +49 30 897 89 -200

Volume 4, No 4
11 April, 2014
ISSN 2192-7219

Publishers

Prof. Dr. Pio Baake
Prof. Dr. Tomaso Duso
Dr. Ferdinand Fichtner
Prof. Marcel Fratzscher, Ph. D.
Prof. Dr. Peter Haan
Prof. Dr. Claudia Kemfert
Karsten Neuhoff, Ph. D.
Prof. Dr. Jürgen Schupp
Prof. Dr. C. Katharina Spieß
Prof. Dr. Gert G. Wagner

Editors in chief

Sabine Fiedler
Dr. Kurt Geppert

Editorial staff

Renate Bogdanovic
Sebastian Kollmann
Dr. Richard Ochmann
Dr. Wolf-Peter Schill

Editorial managers

Alfred Gutzler
Christiane Zschech

Translation

HLTW Übersetzungen GbR
team@hltw.de

Press office

Renate Bogdanovic
Tel. +49-30-89789-249
presse@diw.de

Sales and distribution

DIW Berlin

Reprint and further distribution—including extracts—with complete reference and consignment of a specimen copy to DIW Berlin's Communications Department (kundenservice@diw.berlin) only.
Printed on 100% recycled paper.