

Press Release

Carbon neutrality in times of crisis: GJETC experts discuss implementations of war in Ukraine for energy security and decarbonization

Berlin/Tokyo, November 9th, 2022. Japan and Germany have both set ambitious targets to become carbon neutral. How can these targets be achieved while also ensuring energy supply? In a public outreach event today, experts from the German Japanese Energy Transition Council (GJETC) discussed how dependence on Russian gas affects energy security and decarbonization roadmaps in both countries and presented three studies, including an update on long-term scenarios to reach carbon neutrality in Germany and Japan against the background of the current energy crisis.

The war in Ukraine has revealed how much Europe - and especially Germany — used to depend on energy imports from Russia. This reliance is creating fears about the upcoming winter season and raises questions anew regarding alternatives to secure energy supply. While ensuring short-term energy supply to the general public, Germany also has to keep its commitments to contribute to the mitigation of climate change with its long-term risks. As an important strategy, the country is reinforcing its efforts in improving energy efficiency and converting to renewable energy sources.

German-Japanese dialogue on the energy transition is playing a particularly significant role against this backdrop. Since its foundation in 2016, the German-Japanese Energy Transition Council (GJETC) has been working on strategic and systemic analysis to develop policy advice for new and long-term prospects on the road to an ambitious energy transition.

"Russia's aggression against Ukraine has moved the urgent reduction of fossil energy dependency even higher up the agenda. Quick decisions and relief measures for vulnerable households and companies are necessary, but they must be in line with the ambitious CO₂ reduction targets approved for 2030/2045. Stronger dialogue among leading democratic countries on speeding up the market introduction of renewables and efficiency to reduce the import dependency is urgently needed" says Prof. Dr. Peter Hennicke, the German co-chair of the GJETC. "The results of our studies provide recommendations for political decision-makers in Germany and Japan that can help achieve climate targets and energy security alike."

The Japanese co-chair of the GJETC, Prof. Tatsuya Terazawa, adds: "Given the current situation in Ukraine, we must reemphasize the importance of energy security, especially investment for every segment of gas supply chain. Gas, LNG in particular, plays an important role not only for the immediate need but also toward a carbon neutrality pathway. However, I also recognize the difficulty of such investments due to lower market predictability arising from climate policy. Thus, we need to create an environment attracting the investment for gas, as well as for technologies that can avoid natural gas



asset becoming stranded thereby harmonizing both requirement of energy security and climate actions."

The outreach event outlined the main results of three studies that discuss (1) the role of distributed electricity storage for grid balancing, (2) the potential for decarbonization in the steel sector and (3) an update on long-term scenarios to reach carbon neutrality in Germany and Japan in light of the current energy crisis. The presentations were followed by a discussion on how both countries aim to ensure energy security while meeting their climate policy commitments.

About the GJETC

The German-Japanese Energy Transition Cooperation Council is an international model to strengthen knowledge exchange on technologies, policies and the impacts of the energy transition. In its form, continuity and size, the GJETC is the first German-Japanese cooperation project on the energy transition of its kind. Founded in spring 2016, the Council conducts an extensive study program on core topics of the energy transition, holds stakeholder dialogues with industry and civil society, and has published eleven studies, a series of strategic input papers, and two reports with key recommendations for a successful energy transition in March 2018 and June 2020.

The project, jointly launched by the Wuppertal Institute, ECOS, hennicke.consult and the Institute of Energy Economics Japan (IEEJ/Tokyo) is funded on the Japanese side by the Japanese Ministry of Economy, Trade and Industry (METI), and was funded by the German Federal Environmental Foundation (DBU) and the Mercator Foundation in working phase 1 and 2. In the 3rd phase of the council's work, the former German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) took over funding for the GJETC from the DBU. In the current 4th phase working phase, the German Federal Ministry for Economic Affairs and Climate Change (BMWK) is funding the Council's activities on the German side.

The Wuppertal Institute is coordinating the Council's work as secretariat together with ECOS on the German side; on the Japanese side, the Institute of Energy Economics Japan (IEEJ) had been doing this task.

All recent studies can be found at: http://www.gjetc.org/publications/

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