

Letter from the Director

Dear colleagues and friends,

As 2022 comes to a close, the Centre for Sustainability marks its first full calendar year in operation. It has been a year full of the unexpected.



Following Russia's invasion of Ukraine, this past year has found Europe in the worst energy crisis in at least a generation. There are encouraging signs that the EU will make it through the first winter of the crisis, and though this has required short-term tradeoffs, the transition to renewable energies and net zero greenhouse gas emissions is as important a goal as ever. The implementation of the EU Green Deal and greater investment in renewable energies are essential not only for ensuring a climate-neutral future, but also for finding our way out of the crisis in the long run.

The net zero transition remains at the core of our research, teaching, and outreach work, and this year we've also had a special focus on the energy crisis. Below you'll find some highlights from our work from the past 6 months.

I wish you and yours a happy, healthy new year and look forward to keeping in touch in 2023.

Sincerely,

Prof. Christian Flachsland
Director, Centre for Sustainability

Energy crisis response

In July 2022, Centre researchers Dr. **Oliver Ruhnau**, **Clemens Stiewe**, **Jarusch Müßel**, and Professor **Lion Hirth** published a working paper on [Gas demand in times of crisis: Energy saving by consumer group in Germany](#). This paper, updated in October 2022, provided temperature-adjusted data showing both industry and household consumers respond to high energy prices by reducing consumption. The findings were also covered widely by German and international media outlets such as the [Economist](#) and the [Financial Times](#).

Lion Hirth remains a sought-after energy policy expert. He was appointed the [expert commission on energy and gas](#), which advised the German federal government's energy crisis policy, and communicates about the crisis frequently in the media, with recent appearances in outlets such as the [New York Times](#), [Tagesspiegel](#), and the [Washington Post](#).

Professor Hirth has also created a series of lectures to provide basic information to policymakers and the public on how electricity markets work. We have made these videos, and other crisis-related resources, available on our [energy crisis page](#).

Recent publications

Carbon price floors and low-carbon investment: A survey of German firms, *Energy Policy*, October 2022

New research co-authored by **Christian Flachsland** finds that an accurately set carbon price floor can lead to higher low-carbon investment by firms and potentially some reduction in fossil energy investment. This finding supports the idea that a carbon price floor can be an important design element of emissions trading schemes. Read more [here](#).

German stakeholder perceptions of an EU carbon border adjustment mechanism, *Environmental Research Letters*, November 2022

A new publication by **Ann-Kathrin Kühner, Christian Flachsland**, and **Michael Jakob** finds substantial support for the EU Carbon Border Adjustment Mechanism (CBAM) from various key stakeholders in industry, civil society and research. Read more [here](#).

Assessing Climate Policy Instrument Mix Pathways: An application to the German Light Duty Vehicle Sector, Ariadne Background Research, November 2022

Duncan Edmondson, Christian Flachsland and co-authors developed an assessment framework for climate policy pathways and illustrate it using the example of the light duty vehicle sector in Germany. The authors also introduce the dimension of temporality, highlighting the importance of adapting policy approaches during different stages of the transition away from greenhouse gas emissions. Read more [here](#).

Event highlights

Europe in the era of weaponised interdependence

Together with the Centre for International Security, we welcomed Henry Farrell (Johns Hopkins University) and Abraham Newman (Georgetown University) to present their work on [weaponised interdependence](#) and the risks, opportunities, and challenges it poses for Germany and Europe.

Sustainability Colloquia

This semester we were able to host two researchers at our Sustainability Colloquium. Adrien Fabre, a Research Fellow at CNRS – CIREN, discussed [international attitudes toward of climate policy](#). Kelly Sims Gallagher, Professor, Energy and Environmental Policy at Tufts University, presented on [the political economy of climate finance and overseas investments from China](#).

After COP27: What priorities for future international climate policy?

On 01 December 2022 the Centre for Sustainability hosted a panel with Jesse Scott (DIW, Hertie School), Morgan Després (European Climate Foundation), Inge Kaul (Senior Fellow, Hertie School), Cornelia Woll (President, Hertie School), and Christian Flachsland (Centre for

Sustainability) to discuss the key takeaways from COP-27 at Sharm-El-Sheikh.

This is your moment! Bridging climate action, energy security and a renewed multilateralism

One of the final events of the year hosted by the Centre of Sustainability was with guest speaker [Dr. Arunabha Ghosh](#), founder and CEO of the Council on Energy, Environment and Water (CEEW). In this event, students were able to bridge knowledge of energy security in Europe with energy topics in India.

Selected media appearances

Deutschlandfunk: Interview with Lion Hirth

Lion Hirth speaks with Deutschlandfunk about the need to relieve households and businesses from high [Listen here](#).

Lion Hirth on Lage der Nation podcast

Lion Hirth talks about the energy crisis, how energy markets work, and what policies can both incentivise energy savings while relieving consumers from the burden of high prices. [Listen here](#).

FAZ op-ed: Why the Gas Commission didn't recommend a price cap

Following the release of the Gas Commission's recommendation, **Lion Hirth** explains why the Gas Commission didn't recommend a price cap and instead proposed a financial relief programme for individuals and companies. [Read more](#).

Handelsblatt: Why energy providers should pay their consumers for saving energy

Silvana Tiedemann, Lion Hirth, and co-authors explain how an energy savings bonus paid by energy providers to customers could incentivise consumers to reduce energy usage and be a financial win for consumers and providers alike. [Read more](#).

Der Spiegel: How landlords, renters, and policy can work together to save gas

Silvana Tiedemann and **Lion Hirth** highlight the steps that households, landlords, and politicians can take to save energy with heating. [Read more](#).