

Press release

Stabilizing the energy supply under growing shares of Renewables

German-Japanese Energy Transition Council addressing bottleneck issue in latest Outreach

Tokyo, 24th September 2019. Japan is restructuring its electricity market and competing energy suppliers, unbundling grid and competitive balancing markets are the results. Digitization can enable system operators, producers, traders, consumers and storage providers to co-operate and use the renewable power instead of wasting it. This hypothesis is the background for a study conducted by the German-Japanese Energy Transition Council (GJETC). The Wuppertal Institute and the Institute of Energy Economics, Japan (IEEJ) as the scientific secretariats of the GJETC, analysed concepts of virtual power plants and their underlying business models as well as the use of Blockchain technology. The focus was set on case studies such as the German company Next Kraftwerke and the US energy supplier Pacific Gas & Electric. First results have been discussed at the 7th meeting of the GJETC held these days in Tokyo.

The study shows that Virtual Power Plants (VPP) business models may be largely dependent upon the regulatory framework, renewable energy resources, the electricity supply system as well as the electricity market system. Experiences from Germany show that for example the gradual expiration of FIT (Feed-in Tariff), which is also the case for Japan, will create a favourable business environment for VPP. IT systems and market structure on the other hand currently do not seem to influence VPP models significantly. However, as Germany is the only country with fully commercialized VPP so far this might very well change in the future as maturing markets might lead to different developments and results in other countries.

At the Outreach Event held on September 24th, Prof. Dr. Klaus-Dieter Borchardt, Deputy Director of the Directorate-General for Energy of the European Commission, Dr. Boris Rigault, Head of the Field Industrial Steam Turbines at Siemens AG and Steffen Riediger, Director European Power Derivatives at European Energy Exchange (EEX) explained their efforts and achievements in trying to attain stabilized electric systems under growing shares of renewable energy.

“Experiences in Europe show that integrating a high share of renewable energy production into the electricity markets means providing flexibility on the generation and demand sides, as well as creating strong price signals”, said Prof. Dr. Klaus-Dieter Borchardt during the Event. The Outreach is intended to provide both strategic and in-depth insights on selected topics related to electricity markets and growing shares of renewable energy production in both countries.



The next scheduled Council meeting will be held in Berlin on 18th and 19th March 2020. A video on the concept and work of the GJETC as well as study results, input papers, and a final report of the 1st phase (in English, summaries in Japanese and German) can be downloaded from the GJETC website: www.gjetc.org

About the GJETC

The German-Japanese Energy Transition Council is an international model project to strengthen the exchange of knowledge over technologies, policies and the effects of the energy transition. In its form, continuity and size, the GJETC is the first German-Japanese project of cooperation on the energy transition. Founded in spring 2016, the Council carried out an extensive study program on core subjects of the energy transition, held stakeholder dialogues with the industry and civil society and published four studies, a row of strategical input papers and a report including key recommendations for a successful energy transition with joint recommendations in March 2018.

GJETC is a joint project of the Wuppertal Institute, ECOS Consult, hennicke.consult, and the Institute of Energy Economics Japan (IEEJ) and is supported by the Deutsche Bundesstiftung Umwelt (German Federal Environmental Foundation, DBU), the Mercator Foundation, the German Federal Foreign Office (FFO), and the Japanese Ministry of Economy, Trade and Industry (METI). It is also endorsed by the Federal Ministry for Economic Affairs and Energy (BMWi), the Federal Ministry for the Environment, Nature Conservation, and Nuclear Safety (BMU) and the Japanese-German Center Berlin (JDZB). On the German side, the Wuppertal Institute and ECOS Consult support the council's work as secretariats; on the Japanese side, the Institute of Energy Economics Japan (IEEJ) takes over this part.

Press Contact Germany:

Kevin Hohmann
Medienbüro am Reichstag GmbH
Reinhardtstraße 55

10117 Berlin

Phone: +49 30 2061 4130 50

E-Mail: kevin.hohmann@mar-berlin.de

Press Contact Japan:

General Planning Group
The Institute of Energy Economics, Japan
Inui Bldg.Kachidoki 10th Floor, 13-1, Kachidoki 1-
chome, Chuo-ku,
Tokyo 104-0054

Phone: +81-3-5547-0211

Fax: +81-3-5547-0223

E-mail: contact-ieej@tky.ieej.or.jp