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Site feedback

Home

This week's print edition

Daily news analysis

Opinion

All opinion

Leaders

Letters to the Editor

Columns

KAL's cartoons

Correspondent's diary

Economist debates

World

All world

Politics this week

United States

The Americas

Asia

Africa

Middle East

Europe

Britain

Special reports

Business and finance

All business and finance

Economics focus

Management

Economics A-Z

Business education All business education Which MBA?

Markets and data

All markets and dat

Daily chart

Weekly indicators

World markets Currencies

Rankings

Big Mac index

Science and technology All science and technology Technology Quarterly Technology Monitor

Culture

All culture

Style guide

People People

Obituaries

Diversions

Audio and video
Audio and video library
Audio edition

The World In

The World in 2009

The World in 2008

The World in 2007

The World in 2006
The World in 2005

The World in 2005

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Germany's energy debate

Nuclear power? Yes, maybe

Sep 10th 2009 | BERLIN

From *The Economist* print edition

Angela Merkel's promise to keep nuclear power is turning radioactive



Cocking a snout at nuclear power

REFLECTING the morning sun like a lake of black ice, the solar panels in the wild forests of Brandenburg's border with Poland offer a glimpse of a German dream of a future built on clean energy. Here, at Lieberose, the world's second-largest photovoltaic power plant captures morning light to produce enough electricity for a town of about 15,000 homes. Gleaming rows of solar cells like these, lazily turning windmills and other renewable sources already provide about 15% of Germany's electricity, making the country a leader in both wind and solar technology.

But impressive as such achievements have been, Germany faces contentious energy choices, and none more so than over the future of 17 nuclear power plants, some aged and prone to breakdowns, that provide almost a quarter of the country's electricity. Their fate has been one of the few emotive issues in the campaign for federal election on September 27th.

In 2000 a previous coalition of the Social Democratic Party (SPD) and Greens decided to ban construction of new nuclear power plants and gradually to phase out existing ones by 2022. That may all change soon if the Christian Democratic Union (CDU), led by the chancellor, Angela Merkel, is able to form a government with the liberal Free Democrats (FDP). Ms Merkel has pledged to extend the lives of some



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nuclear plants by up to 15 years; the FDP is keen to build new reactors.



One reason to keep reactors

humming is money. Nuclear power plants are horribly expensive to build, but are then relatively cheap to run. Christopher Kuplent of Credit Suisse, an investment bank, reckons that German power companies could generate extra profits to the tune of €25 billion (\$36 billion) before tax if they do not have to hit the off button. German electricity prices, which are among Europe's highest, would probably also drop. That would please big businesses which have been lobbying to extend the lives of the plants.

Claudia Kemfert of DIW, a think-tank in Berlin, argues that keeping the nuclear plants going would buy time and produce the money needed for Germany to increase the share of energy coming from renewable sources. If utilities were allowed to run nuclear power plants for longer, they would probably have to share their gains, perhaps by having to pay a windfall tax or agreeing to finance investments in renewable energy, says Mr Kuplent.

The economic argument may make sense, but it will be hard to sell to a sceptical public. Opposition to nuclear energy has, if anything, hardened of late. A poll in February found that almost 60% of respondents wanted to reverse or slow down the phase-out. But a more recent one in July, just after an accident shut the Krümmel nuclear plant for the second time in two years, showed a sharp swing: 31% of Germans wanted the phase-out maintained, and a further 32% wanted it speeded up. Just 17% thought Germany should stay in the nuclear business.

The convoluted politics of the outgoing grand coalition have also played their role in dampening public support. The SPD's Sigmar Gabriel, the environment minister, has used his position to campaign against nuclear power. He accuses Ms Merkel of being "irresponsible" and has issued a stream of revelations about, for instance, safety breaches at Asse, a nuclear-waste storage site, and the leaky condition of Gorleben, a salt dome intended to house high-level waste for thousands of years.

For all the heat of debate, extending nuclear plants would delay Germany's difficult choice by only a decade at best. About half of its energy comes from burning coal, a prolific producer of greenhouse gases. Even with the growth of renewable energy, the intermittent nature of the sun and wind mean these sources cannot replace nuclear power without costly investments in energy storage and transmission. Replacing nuclear plants with coal-fired ones seems equally far-fetched.

To keep the lights burning, Germany may ultimately have to choose between missing its targets to reduce greenhouse gasses or becoming more beholden to Russia for natural gas. That debate could turn radioactive.

Back to top ^^

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