



# **1. Impact of public policy measures dedicated to GHG emissions and energy efficiency on economy and employment**

## Some general information about the German Association of Local Utilities (VKU)

- SWM = Member of the German Association of Local Utilities (VKU)
- the German Association of Local Utilities (Verband kommunaler Unternehmen/ VKU) represents the interests of the local public utility sector in Germany, which includes both supply and disposal services
- founded in 1949
- headquarters in Berlin
- EU representation in Brussels, established in 2002
- 1,400 member companies (municipal or regional infrastructure service providers) operating in one or more of the following core businesses:
  - electricity, gas,
  - water supply, sewage,
  - waste management and municipal cleaning.

## Issues linked to climate change

- The local electricity, gas and heating supply companies within VKU spend heavily on infrastructure, investing a total volume of almost € 6,2 billion in 2008 alone.
- These predominantly small and medium-sized local energy providers are a very important site-related factor in developing the regional economy and in maintaining local employment opportunities.
- They also make a substantial contribution to secure, safe, environmentally sound and decentralised electricity supplies in Germany, with their combined installed capacity amounting to 13,300 MW.
- The decentral character of their production installations allow them to use local resources targetedly and efficiently and to adapt them directly to the necessities of energy consumption.
- The local utilities contribute to use the non-renewable resources in combined heat- and power generation (CHP) with a high efficiency up to 90%.

## Impact of public policy measures dedicated to GHG emissions and energy efficiency on economy and employment

- Local public utilities are reliable local infrastructure service providers.
  - > guarantee regional supply and disposal services, help to support the regional economy thus securing employment and investments in the region
- enterprises within VKU provide employment for about 220.000 people and record an annual turnover of € 72 billion
- public utility companies already assist the owners of buildings with energy consultation and with the support of energy-efficient systems (condensing boilers and solar installations, use of energy-saving installations, etc.)
- the staff of public utility companies already today have many years of experience in energy consultancy as well as extensive know-how in the assessment of building services engineering installations. Personnel with relevant professional experience and specialist further training, therefore is and will be a vital component while talking about adaptation to climate change.

**2. New Strategies - New Skills:  
Case Study SWM**

Our target is to increase our renewable power production at a scale that enables us statistically to

- supply all **private households** in Munich by the **year 2015** and
- additionally to supply all **companies** by the **year 2025**

with power from **renewable energy**.

For producing Munich's power demand (7,500 mio. kWh per year) we have to acquire **400 m. kWh** generation capacity each year.

This means **investments of 500 m. €** each year.

### → New Skills:

- Ability to manage capital intensive business areas.
- Knowledge of new technologies.
- Knowledge of political and economic facts
- Intercultural knowledge

### → Behavior change:

- Improvement of decision-making processes
- „Thinking green“: ECO-Efficiency as a possibility to earn money

- Creation of a new
  - Strategy Department
  - Investment Department
  - Contact Office in Brussels

- **High investment costs are a major obstacle to the realization of renewable energy projects – cooperation with co-investors is vital for risk reduction.**
- **Expansion in foreign countries is easier, if it is undertaken together with local partners.**
- **Due to the rapid development of renewable energy technologies it is essential to work together with specialised partners which are best in class.**
- **By investing into already existing power plants targets can be achieved faster .**



**Acquisitions and shared investment are worth the effort.**

- Energy companies have to change their investment strategies due to climate change.
- For the implementation of “green strategies” a broad variety of new skills are needed.
- For smaller and medium sized enterprises co-investment strategies can be helpful.



An aerial photograph of a city, likely Munich, Germany, showing a dense urban area with red-tiled roofs and a prominent church with a blue dome. The city is partially obscured by thick, white clouds. In the background, a range of mountains is visible under a clear blue sky. The SW/M logo is in the top right corner.

**SW/M**

Hohe Lebensqualität und günstige Preise bei Energie, Wasser, Bädern und Verkehr. **Besser leben mit M.**