

# Greening politics

## SITE Energy Talk 2024

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## The problem to be solved...

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How can we do so without **negative spillovers** across systems?

How can we do so in a **politically feasible** way?

# EU27 CO2 emissions



Figure 1: Uphill...

# EU27 CO2 emissions

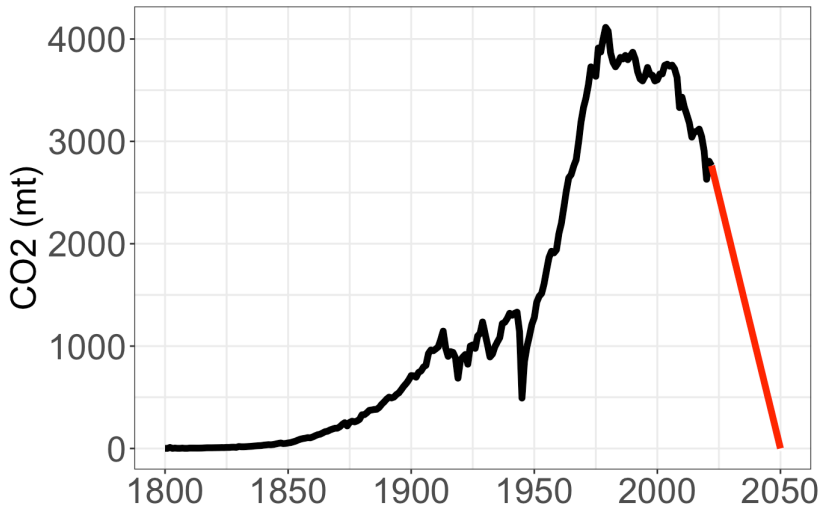


Figure 2: ... and downhill

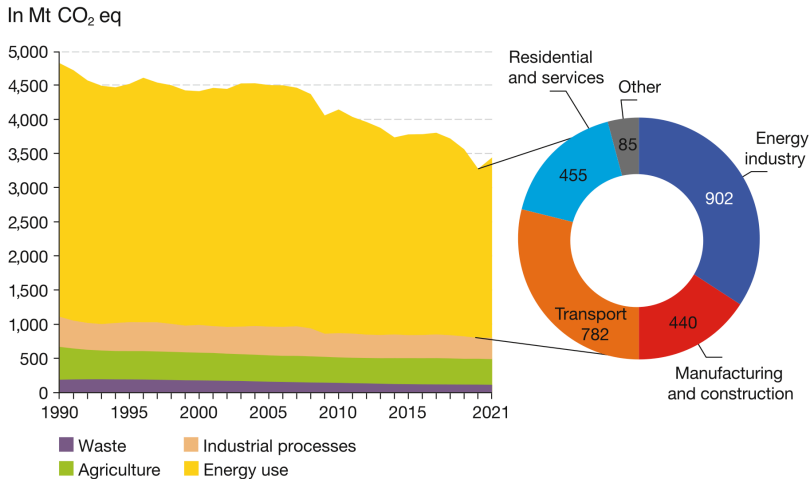


Figure 3: **Energy is the key battle ground.** EU emissions by source.  
 Source: EEA (2023).

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- Increasing **demand** in coming decades (“electrify everything”)
- EU needs to go from 3k TWh/year to 7k TWh/year in 2050

## Demand for electricity will more than double by 2050 with wind energy meeting 50%

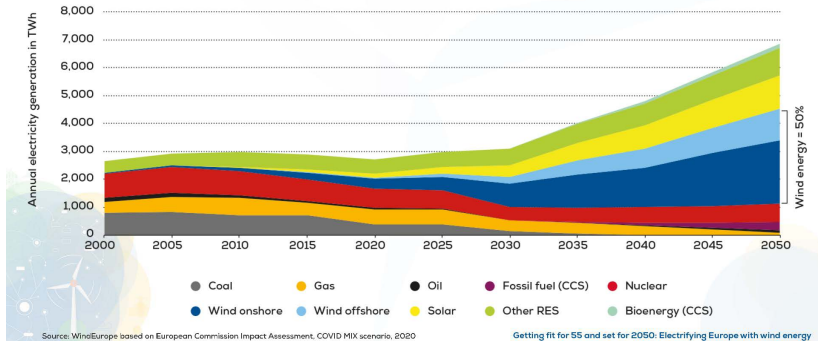


Figure 4: Need to build up capacity in Europe. Source: ETIP.

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- Need to improve **transmission**
- Need to add **storage capacity** (hydrogen, lithium batteries)
- Need to increase **demand flexibility** (dynamic pricing, IoT)
- We are still **learning** how to do some of these...
- And most require **reliable** and **aggressive** public policy

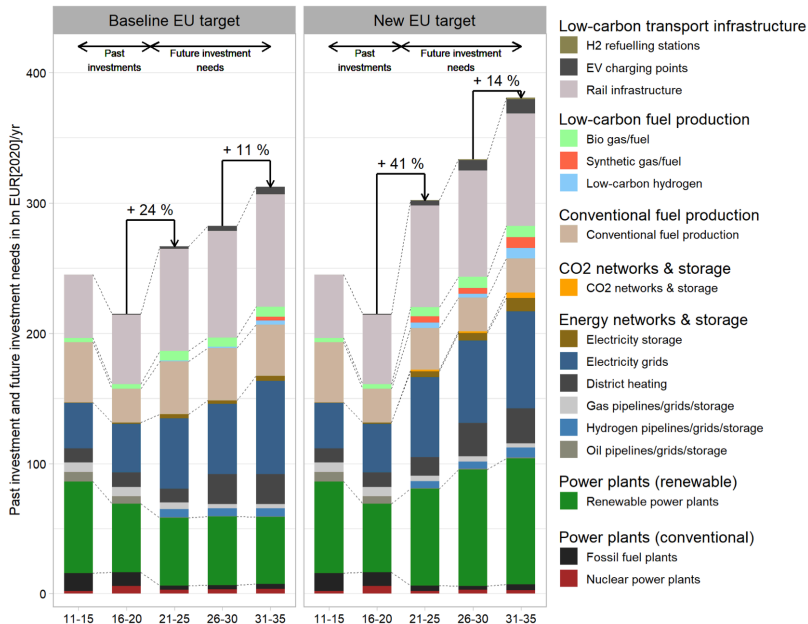


Figure 5: Large investments are needed. Source: Klaasen & Steffen 2023.

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- EU-level action: EU ETS, CBAM

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- **European and international fragmentation.** Decline in cooperation on tech and regulation, new fault lines (Hale 2020, Aklin and Bayer 2023)  
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- **Negative feedback loops.** Side effect of policy interventions (Egli et al. 2022, Colantone et al. 2024)  
→ Critical for long-term democratic sustainability of policy

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  - ii. Creates economies of scale
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- Inflation Reduction Act, European Green Deal, Just Transition Mechanism, etc.

## To conclude

- Challenge: how to design politics-resilient climate policy?
- Current hypothesis: industrial policy as silver bullet...
  - i. Accelerates innovation
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  - iii. Political lock-in (Bolet et al. 2023)
- Inflation Reduction Act, European Green Deal, Just Transition Mechanism, etc.
- Will this work? Reasons to be concerned: aspirations, capacity, labor scarcity, implementation... [Lim et al. 2023](#), [Gazmararian and Tingley 2023](#)

**Thank you for your attention!**

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