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“Energiewende” in Germany and Energy Transition in the U.S. Exemplified: The Fracking Debate

Dr. Axel Bree, Federal Ministry für Economic Affairs and Energy

11. DAJV Fachgruppentag, Frankfurt am Main, 27.03.2015



Agenda

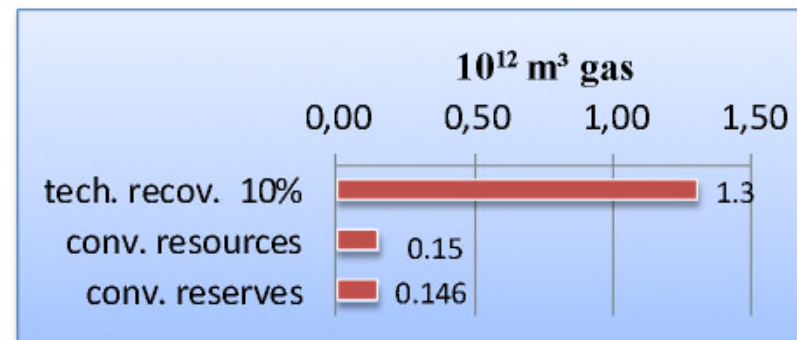
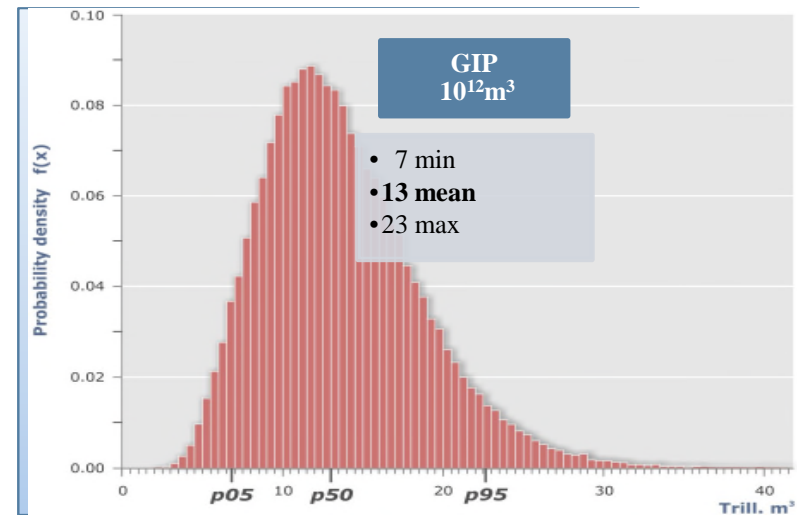
- Potential resources in Germany
 - Current legal framework and administrative practice
 - Proposed amendments
 - Current state of political debate
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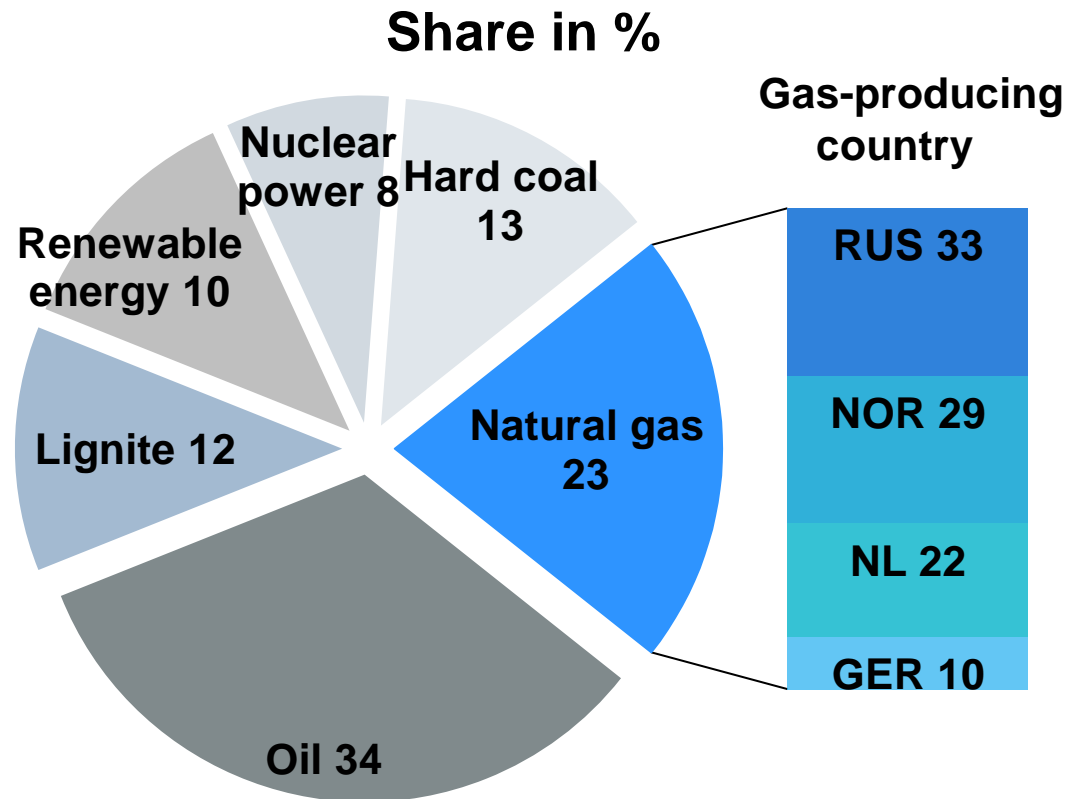
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Shale gas potential in Germany (BGR study)





Primary Energy Consumption in Germany in 2013

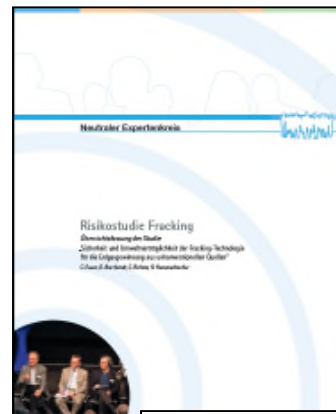
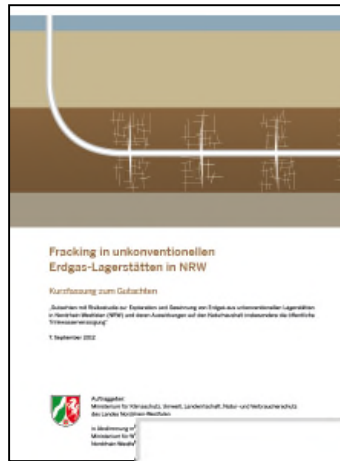




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Studies published in 2012-14



- Environmental Impact Assessment “Fracking – Exxon Dialogue Process”
- Environmental Impact Assessment for NRW
- UBA Environmental Impact Assessment on fracking and its environmental risks, particularly for groundwater Part 1 and Part 2 (2014)
- BGR Study: Assessment of shale gas potential in Germany (2012)
- The German Advisory Council on the Environment (2013)



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Legal Framework

- **Federal Regulation**
 - **Federal Mining Act (BBergG), General Mining Ordinance, Environmental Impact Assessment Mining Regulation, Federal Water Act**
 - **Currently, no statutory provisions specifically relating to unconventional gas**
- **The issuing of licences falls within the exclusive competence of the federal states (*Länder*)**



Fracking technology has been used in Germany since 1961

- **More than 300 fracs during the last 50 years**
- **Majority took place in Lower Saxony**
- **Only tight gas – not shale gas**
- **No further exploration licences issued since 2012**
- **Lower Saxony announced to authorize tight gas projects in the future**



German Federal Ministries have proposed ban on shale gas fracking with exceptions

- **Political agreement of July 2014 and draft bills by Federal Ministry of Economic Affairs and Fed. Ministry of Environment**
 - **No water-use permissions for shale gas (and coal bed methane) fracking for commercial purposes in depths of less than 3,000 m**
 - **Fracking projects for scientific purposes are exempted from the ban to close knowledge gaps**
 - **Starting in 2018, Expert Commission will evaluate scientific projects. In case of approval for certain geological formations authority may authorize fracking for shale gas or coal bed methane**
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Other Fracking activities may be permitted under strict regulations

- **Draft Bills propose, in general, permissibility of fracking projects for tight gas, oil and geothermy**
- **But no permission in water-protection and nature conservation-areas**
- **Strict requirement on the chemical composition of the frac-fluid (fluid might pose only slight threat to water quality)**
- **Management of flowback and formation water in accordance with current state of technology**
- **Obligation to undertake Environmental Impact Assessment**
- **Strict monitoring and reporting obligations**



Timeline

- **Regulations are drafted (available on BMWi and BMUB websites)**
- **Consultation process with associations and the Bundesländer has been concluded in February 2015**
- **Amended regulations include:**
 - **Federal Water Act**
 - **Federal Mining Act**
 - **General Mining Ordinance**
 - **IEA Ordinance for mining projects**
- **Legislative drafts to be adopted by the Federal Cabinet on April 1st.**
- **Legislative Process will start in Spring 2015.**



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Thank you and fortune up!

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