

The German plan for net zero carbon

A recent German study puts the cost of taking Germany to net zero carbon by 2050 at Euro 7.6 trillion. Much of this will fall on German consumers to pay. They will need to buy different cars, insulate their homes, change the heating systems in their homes, pay more for their travel and the rest.

Some of this cost will be displacement of investment renewal that takes place anyway. Cars, boilers, trucks, planes all have a finite life. The additional cost comes from replacements that are dearer than the originals, and above all from regulators requiring early retirement of the existing investment.

The business world will be at the forefront of this transition. The petrol companies have to move from a big chain of filling stations to a big chain of electric chargers. The airlines have to buy a new generation of jets that burn alternative fuels. The plastics industry has to close capacity whilst the paper and wood industry needs to expand for packaging and other items.

It would be good to see a proper costing for the UK, and more work on what this means by way of transformation of our shops, homes, industrial plants and transport systems. Clearly there need to be plenty of closures of hydrocarbon based ways of working, living and travelling. Car plants making petrol and diesel vehicles, oil and gas companies exploiting natural resources, manufacturers of traditional heating systems, fuel intensive production of many things will all need to adapt or be closed down.

What timetable do you think acceptable for this big change? Or do you think this is a wrong course of action? How much should an individual be expected to spend on home improvement and transport change?