Universität Stuttgart
Germany

The incumbent energy providers and the transformation of the German energy sector

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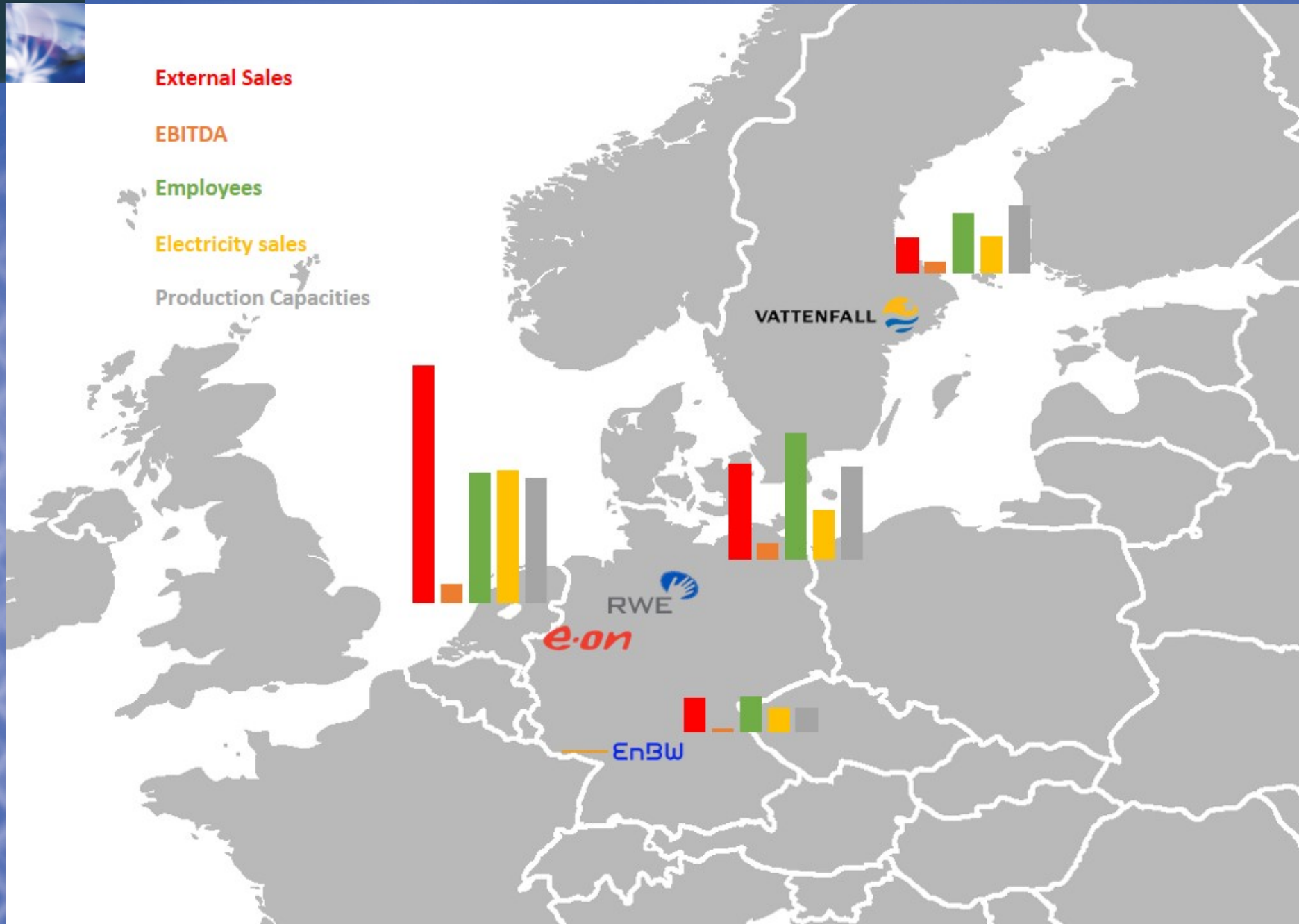
Allianz ENERGY-TRANS


External Sales
EBITDA
Employees
Electricity sales
Production Capacities
VATTENFALL
RWE
e·on
EnBW

Structure

1. Empirical introduction – German utilities and renewables
2. Analysis
3. Implications for practice

EEG 2000

Electricity from renewable sources is given feed-in-priority as well as guaranteed technology-specific remuneration

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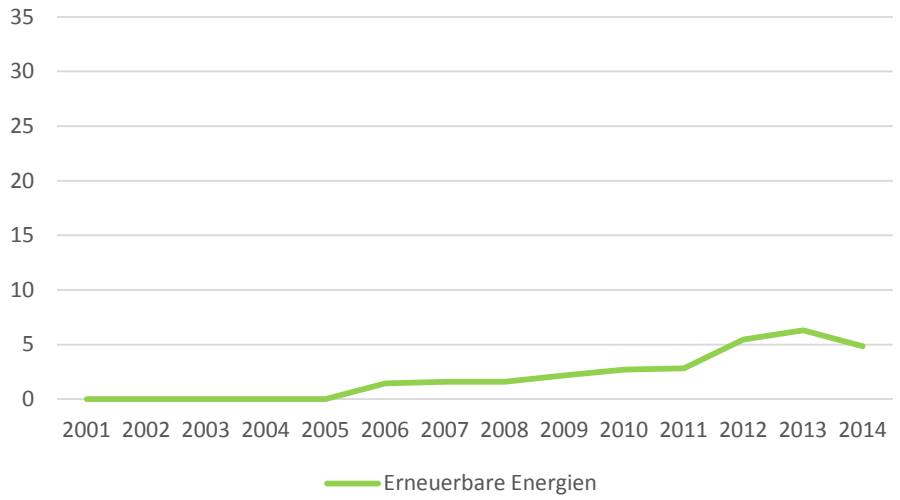
Renewables are „Models for dollhouses“

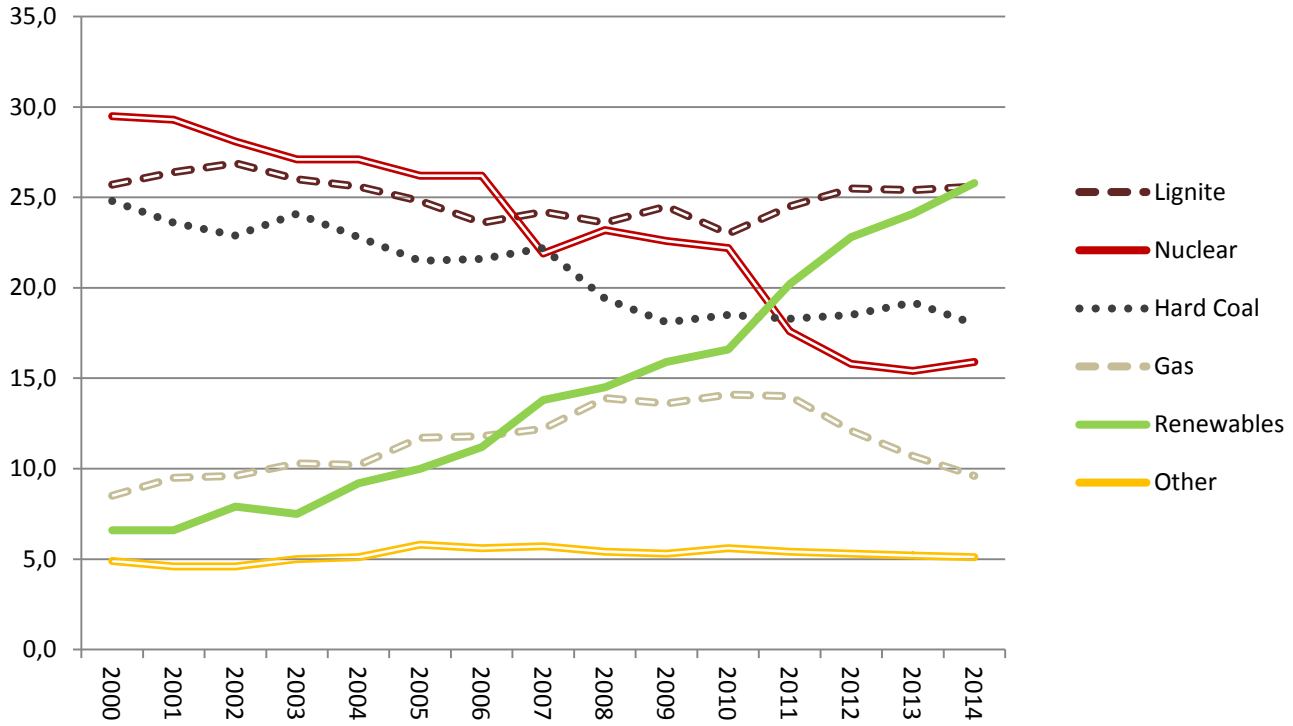
(Gerhard Goll, CEO EnBW)

Share of renewables in the energy mix of RWE

Source: Annual reports



Expansion of renewable energies



Gross electricity production in Germany by source (in percent). Source: AG Energiebilanzen

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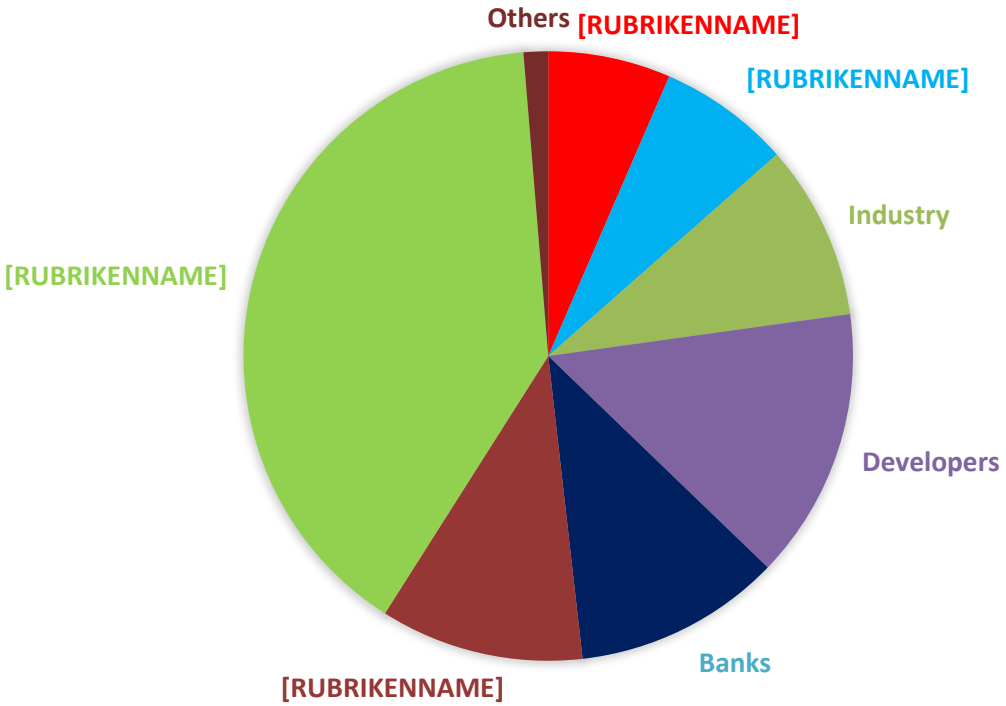

Ownership structure of renewables 2010.
Source: trend:research 2011

Market effects of renewable energies

Expansion of renewables contributed to:

- Sinking wholesale prices for electricity
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Incumbents announce reorientation

Future growth areas:

- Decentralized services
- Renewable energies

Explaining the shift in adaptivity

	Until 2007: Ignorance towards renewables	2007 until 2015: Incremental re-evaluation of renewables

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Historic Factors		
Competence		
Path Dependence		
Sunk Costs		
(Micro-)political Factors		
Internal to Organization		
External to Organization		
Cultural-/Cognitive Factors		
Corporate Identity		
Power Factors		
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Position	Intense (political and market) **power** of the companies	Companies (political and market) **power** slightly shrank

Implications for practice

1. How to get the incumbents on board?
2. Do you want/need to get the incumbents on board?

Implications for practice

Assessing reactions to desired change

Assess possible regulations

1. Incentivize
2. Force
3. Ignore

Thank you for your attention!

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