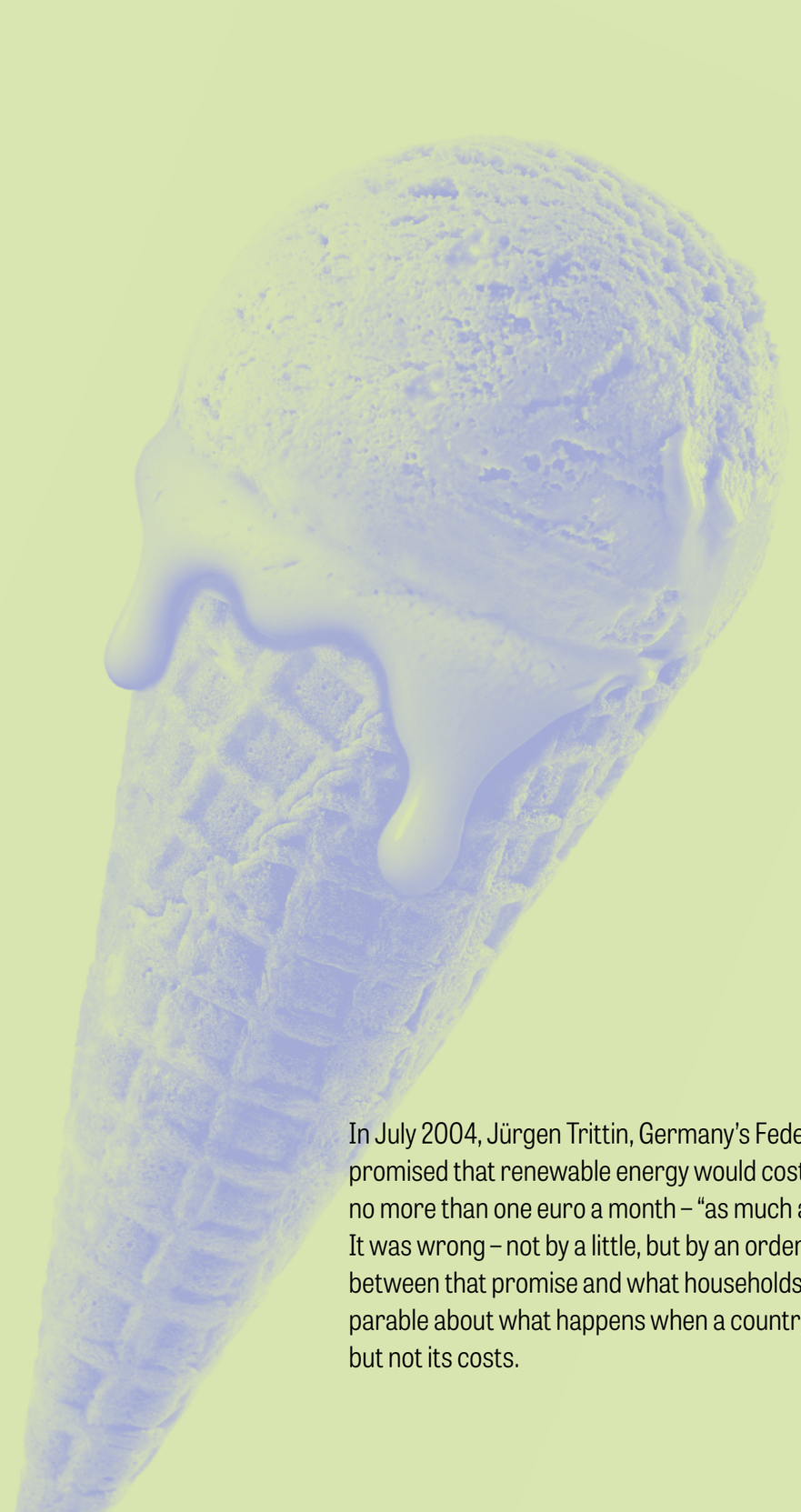
The nobody dares to name



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Jesko combines financial leadership with responsibility for people and culture, turning strategic ambition into an organization built to win. With decarbonization at the heart of Westfalen's vision, he is positioning a family business with more than 100 years of history to lead into a low-carbon future.

In July 2004, Jürgen Trittin, Germany's Federal Environment Minister, promised that renewable energy would cost the average household no more than one euro a month – "as much as one scoop of ice cream." It was wrong – not by a little, but by an order of magnitude. The gap between that promise and what households actually came to pay is a parable about what happens when a country governs its ambitions but not its costs.

Energy policy has always balanced three things: a clean supply, a secure one, and an affordable one. Together they form what the World Energy Council calls the energy trilemma – three goals that reinforce each other only when pursued together, and undermine each other the moment one is neglected. Germany's Energiewende has never lacked ambition on the first two counts. What it has lacked, from the very beginning, is a serious answer to the third.

Two targets, and a silence

Ask a German policymaker where the country's renewable share should stand by 2030, and you get a precise, legally binding answer. Ask about grid reliability, and you get monitored indicators and published statistics. Ask what electricity should cost – for a factory competing against Chinese or American rivals, or for a family deciding whether to trade its gas boiler for a heat pump – and the answer turns vague. What you get is principles, aspirations, general commitments – nothing you could hold anyone accountable to.

The comfort of a number that flatters

Germany cites one number with justified pride: by 2024, renewables supplied more than half of the country's electricity. That is real progress – but it can also flatter, creating the impression that the transition is further along than it is. Electricity, after all, is only one part of the energy system; across transport, heating and much of industry, fossil fuels still dominate. A cleaner power sector is not the end of the transition. It is the prerequisite for a much harder phase still ahead: electrifying how Germany heats its homes, moves its people, and runs its factories. The 54 percent figure, taken alone, is politically comforting but strategically incomplete – it measures progress in the sector that is furthest along, while the biggest gap still to close sits in the sectors furthest behind. As that harder phase draws more energy demand onto the grid, the price of electricity stops being a side issue and becomes the main one.

A warning already written

Germany does not need to imagine what happens when good intentions substitute for a governed cost target – it has already lived through it once. The surcharge that financed early renewable expansion was meant to be a modest, temporary levy. Four things quietly compounded for two decades, unconstrained by any framework that might have forced an earlier correction: locked-in feed-in tariffs, underestimated grid costs, an unhedged dependence on Russian gas, and the uncounted cost of integrating weather-dependent power. Then Russia's invasion of Ukraine turned a slow drift into a shock. Household prices have since retreated from that peak, but remain among the highest in the industrialized world. Industrial customers fare no better by comparison: German factories pay among the highest electricity prices of any leading industrial economy.

What was missing was never technical insight – it was a mechanism to make the drift visible early enough to correct, and someone accountable for correcting it.

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A number, not a wish

An affordability objective that exists only as a principle is not a policy. It is a hope. If Germany is serious about the third leg of the trilemma, it needs to do for prices what it has already done for renewable shares and grid reliability: define a corridor, publish it, and govern toward it. A sensible corridor would put industrial electricity sustainably below 15 cents per kilowatt hour – in the range France already achieves – with household prices settling around 25 to 28 cents. That is not a giveaway; it still reflects the genuine cost of a cleaner system. But it is materially below where Germany sits today, and precise enough that someone could be held responsible for reaching it.

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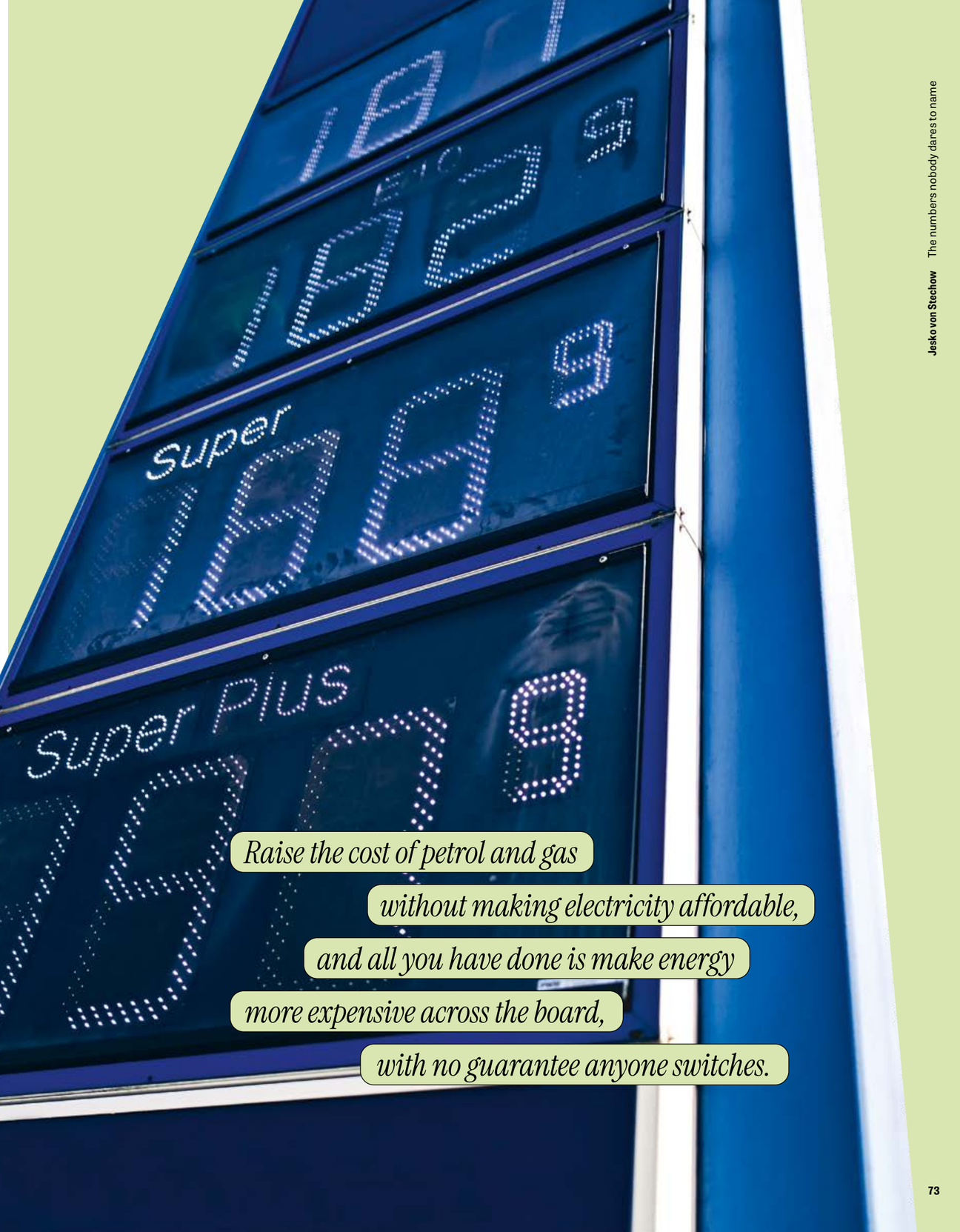
The value of such a number lies less in the figure itself than in what a credible, durable price does to behaviour. Companies deciding whether to build the next energy-intensive factory or data centre in Germany are not looking at this year's tariff – they are underwriting a cost base a decade or more out, and uncertainty keeps the money on the sidelines. The same is true, more modestly, for the household weighing an electric car or heat pump against the familiar petrol pump or gas boiler.

This is also what makes the transition self-reinforcing rather than self-limiting. A competitive, credible electricity price does not just reduce bills – it changes the direction of the whole system. Cheaper, more reliable power draws in the investment that builds out grids, storage and generation faster. Faster build-out brings costs down further and lets clean power displace fossil fuels more quickly in transport, heating and industry. And every household or company that switches spreads the system's fixed costs across a larger base, pushing the price down again for everyone still connected to it. Once that loop starts turning, it feeds itself. A high, uncertain price does the opposite: it keeps investment cautious, slows switching, and leaves fixed costs to be shared among fewer users, pushing the price the wrong way. Whether Germany ends up in the virtuous version of that loop or the vicious one is decided less by how much money is spent than by whether the price signal is credible enough to act on.

Carbon pricing was meant to help tilt that balance, and a rising cost on fossil fuels is necessary. But it only pulls the system in the right direction if electrification is genuinely the cheaper path. Raise the cost of petrol and gas without making electricity affordable, and all you have done is make energy more expensive across the board, with no guarantee anyone switches.



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Bigger, not just more expensive

A natural worry is that a lower, capped price would starve the system of the money it needs to be built. But once heating, transport and industry are electrified, a much larger volume of electricity sold, even at a lower price per unit, need not mean less revenue overall – it can mean a bigger system rather than a more expensive one. Some of the transition's cost will inevitably be paid outside the electricity bill, through public budgets rather than tariffs; that is a legitimate choice, but a costly one, and it should be made openly. Carbon-market revenue, real and growing as it is, will never on its own come close to what full-scale grid and generation build-out requires. The rest has to come from private capital – and private capital moves toward calculability, not ambition. A credible price corridor would not force anyone to invest. But it would remove one of the biggest reasons they currently hesitate.

We owe the public, our employees, and our investors a better answer than a shrug.

Naming the number

The energy trilemma was never meant to let governments pick their favourite two goals out of three. It was meant to force them to hold all three at once, because neglecting any one eventually drags the others down with it. Germany has proven, twice over, that it can set a number and govern toward it. It has yet to prove it can do the same for the price its own citizens and companies will actually have to pay.

The minister who promised one scoop of ice cream a month was not lying – he simply made a promise without a model behind it, and without anyone accountable for what would happen if the model turned out to be wrong. Two decades on, we are still living with the consequences of that unguarded optimism, and there is still no honest, binding answer to the question he never really asked: what should this actually cost? We owe the public, our employees, and our investors a better answer than a shrug. The energy transition is the defining industrial undertaking of this generation. Two goals were never going to be enough. It is time someone dared to name the third.

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