

Executive Summary

Genshagen Economy and Energy Dialogue

## Green Weimar Triangle: Strategic

## preparation for ETS<sub>2</sub>; Electrification Turbo as a key instrument?

08.12.2025, Genshagen Castle

### Background

Starting in 2028, the new EU Emissions Trading System (ETS<sub>2</sub>) will, for the first time, place a price on CO<sub>2</sub> emissions from buildings and transport sectors across Europe. Fuel suppliers will be required to purchase emission allowances, making ETS<sub>2</sub> a central instrument in the EU's climate strategy to reduce greenhouse gas emissions by at least 55% by 2030. In the long term, this shift is expected to accelerate decarbonisation in both sectors, which have been lagging behind. In the short term, however, it will lead to higher heating and transport costs, directly affecting households and small businesses.

Positions on ETS<sub>2</sub> are divided in Europe. While Germany and some northern European countries such as Sweden and Denmark see the new emissions trading system as necessary, especially eastern European states view it with scepticism. Poland successfully advocated for a later implementation of ETS<sub>2</sub> to gain time in order to better cushion its social and economic impacts – the introduction of the instrument has been postponed by a year until 2028. France has divided views regarding ETS<sub>2</sub> and has a strong focus on social acceptance and avoiding price spikes. Upcoming elections in 2027 in both Poland and France, from which right-wing parties could emerge as winners, make stronger opposition possible in the very near future.

The implementation of ETS<sub>2</sub> therefore requires the German, French and Polish governments to develop cross-sectoral strategies in order to tackle those concerns, maintain public support and minimise social impacts. Fostering exchange between the three countries on the most effective strategy to pursue is highly important. Business stakeholders also have a key role to play in terms of technological innovation and energy management systems.



Introduction of the Genshagen Economy and Energy Dialogue 2025: **Kristina Haverkamp**, German Energy Agency; **Martin Koopmann**, Genshagen Foundation and **Christophe Bals**, Germanwatch  
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The 2025's Genshagen Economy and Energy Dialogue, organised by Germanwatch, the Genshagen Foundation and the German Energy Agency (dena), highlighted the opportunities and challenges associated with the implementation of ETS<sub>2</sub>. Discussions focused in particular on electrification as a key lever for this strategic preparation. Against the backdrop of a highly destabilising international context, scaling up electrification should play an important role in addressing the challenges of implementing ETS<sub>2</sub>, while simultaneously reducing import dependencies and fostering European competitiveness in this field.

Russia's invasion of Ukraine and the ensuing cost-of-living crisis has put Europe's dependency on energy imports in the spotlight. 63% of the EU's primary energy is imported, with the US being among the largest suppliers of liquefied natural gas and coal.



**Remy Garaude-Verdier**, Enedis, Brussels; **Barbara Adamska**, Polish Energy Storage Association, Warsaw; **Jan-Kristof Wellershoff**, Federal Ministry for Economic Affairs and Energy, Berlin and **Achim Coenen**, Siemens Energy, Munich ©René Arnold



**Lea-Valeska von Gall**, German Energy Agency; **Wojciech Burkiewicz**, Office of the Prime Minister, Warsaw ©René Arnold

Cross-border energy cooperation is the most strategic option for European-wide, fast, efficient and affordable energy security. As the EU possesses only limited oil and gas resources and remains committed to the binding goal of climate neutrality by 2050, electricity represents a highly future-oriented energy supply option. This is especially the case considering the European Parliament's recent announcement of a phase-out of Russian energy imports by September 2027. In the last decade, solar photovoltaic costs have decreased by 90%, onshore wind by 70% and batteries by over 90%. On a global level, a record 2.1 trillion US dollars was invested in the low-carbon energy transition in 2024, in which electrified transport was the largest investment driver. Given their diverging energy and economic systems, a trilateral, cross-sectoral dialogue sheds light on the countries' distinct perspectives on electrification and the requirements for a successful and smooth energy transition. Germany has already made significant progress in switching to renewable energies, although insufficient infrastructure continues to hamper electrification efforts. Poland's share of coal in the energy mix has been declining in recent years, even though the country still remains highly dependent on it. France has made substantial progress in supporting energetic retrofitting and facilitating access to e-vehicles.

Once again, the dialogue brought together experts from politics, business and civil society from the Weimar Triangle countries. As key players in Europe's energy transition and decarbonisation, leading economic stakeholders and countries responsible for almost half of the EU's total CO<sub>2</sub> emissions, they bear a major responsibility in driving Europe's transformation towards a sustainable model. The Genshagen

Economy and Energy Dialogue took place within the framework of the Green Weimar Triangle, which was first launched by [German watch in 2021](#) with the aim of fostering long-term climate cooperation between Germany, France and Poland at governmental, non-governmental and civil society levels, in both formal and informal contexts. The dialogue was also part of the Genshagen Foundation's main thematic focus for 2025-2027, [Transformation Europe](#), and was organised in cooperation with the [German-Polish Energy Platform](#).

### **Electrification: Strengthening Concrete and Practical Cooperation**

The first part of the dialogue focused on the pivotal role of electrification in strategic preparations for ETS<sub>2</sub>. Experts from the three countries discussed the current status quo as well as key challenges related to electrification and flexibility. The discussion addressed important questions, including how the three countries can learn from each other in managing demand-side flexibility, as well as regulatory issues and the alignment of rules to enable businesses and start-ups to operate more easily across all three countries and the EU as a whole.

As highlighted in the recently published [Franco-German Economic Agenda](#), affordable grid charges are part of the solution. The expert exchange therefore placed a strong emphasis on strengthening trilateral cooperation within the framework of the Weimar Triangle. Against the backdrop of the political call for a **"community of action"** in the countries of the Weimar Triangle, the need for concrete and practical cooperation formats became evident. In this context, experts at the round table expressed support for establishing a **joint platform to**



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### facilitate exchange on grid flexibility and connection.

Importantly, smooth electrification requires flexible grids and efficient grid operations that can adjust to fluctuations in demand and supply. Grids and storage solutions are therefore essential in providing this flexibility, ensuring that affordable electricity can reliably flow in and across member states and that no country is left behind. What is needed now is a clear and coordinated European pathway for electrification that ensures long-term planning stability for investments also across countries. The new [European Grids Package](#), launched on 10 December 2025, signals that the EU is willing to suggest such common central scenarios. The discussion also strongly emphasised the importance of trilateral dialogue and cooperation on electrification and charging infrastructure for trucks, as this area in particular requires harmonised cross-border conditions. Furthermore, the need for greater alignment in terminology and taxonomy became clear in order to avoid misunderstandings among experts and to allow discussions to focus more effectively on substantive progress.

Finally, the issue of electricity price components was addressed. The price per kWh, grid tariffs and taxes currently represent variable elements of consumer electricity prices, and greater alignment in these areas was suggested. Such pilot projects need strong commitment from industry and governments. The results could, however, make their impact felt beyond the trilateral level and potentially give rise to breakthroughs at Union level.

### Implementing ETS<sub>2</sub>: Careful Preparation and Close Cooperation for a Multidimensional Transformation

The second part of the dialogue focused on the practical and technical aspects of implementing ETS<sub>2</sub>. Positions on ETS<sub>2</sub> are divided in Europe, and compromises at the European level (e.g. postponing its introduction, as well as the Social Climate Fund and transitional arrangements) attempt to bridge this gap. While Poland's reservations include the burden on households due to higher energy prices risking energy poverty and social tensions, France is yet to adopt a clear position on ETS<sub>2</sub> and has not transposed the directive. In response to a non-paper from the Czech Republic and 18 other member states, which raised concerns about price volatility and a potential increase in energy poverty, the European Commission has proposed several options to keep the ETS<sub>2</sub> price at the agreed level, such as adjustments to the Mark Stability Reserve. In November 2025, the environmental ministries agreed, as part of the negotiations on the 2040 climate target, to postpone the start of ETS<sub>2</sub> to 2028. Nevertheless, it is clear that the debate is far from over, and the uncertainties regarding the impact of ETS<sub>2</sub> as well as the questions surrounding the use of its revenues need to be resolved before its implementation is accepted by member states. The upcoming revision of the ETS Directive might be another opportunity to discuss the new ETS.

The discussion highlighted the national perspectives on the issue. Polish experts underlined the ongoing efforts of Poland to phase out coal, supported by EU and national funds, while emphasising the need for flexibility to address its specific challenges.



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French experts showcased progress in e-mobility and heat pump adoption in France, stressing the importance of gearing support to those most in need. Meanwhile, German experts outlined the transition from existing carbon pricing mechanisms to ETS<sub>2</sub> in Germany, aiming at providing clarity for businesses and households. The postponement of ETS<sub>2</sub> to 2028 was acknowledged as a measure that, while undermining predictability for investors and households, offers an opportunity to prepare effectively and address concerns about fairness among EU member states. The need for complementary and stable regulations to decarbonise both sectors was emphasised, alongside warnings that deregulation of key European Green Deal policies could have a negative impact on ETS<sub>2</sub> prices and undermine the acceptability of the instrument.

The potential for a phased introduction of ETS<sub>2</sub> was discussed as a means to ensure a smoother transition and avoid further delays. This approach aims to balance the need for predictability for investors and households with diverse national circumstances across the EU.

The use of ETS<sub>2</sub> revenues to fund social and economic support was another key topic. Participants explored the potential of frontloading ETS<sub>2</sub> revenues to invest in energy-efficient upgrades, low carbon heating and public transport initiatives, thereby supporting a socially acceptable ETS<sub>2</sub> price. Good practices for the use of ETS<sub>2</sub> revenues – both through and beyond the Social Climate Fund – were discussed, such as splitting CO<sub>2</sub> costs between tenants and landlords (as in Germany) or social leasing schemes for electric vehicles (as in France). Participants from Poland noted that EU funds, such as cohesion policy funds, remain critical for investing in the decarbonisation of both sectors. Price stability emerged as a critical factor in ensuring public and industry acceptance of ETS<sub>2</sub>.

The possibility of introducing soft price corri-



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dors or ceilings was discussed as a way to support investment predictability while preventing sudden cost spikes that could undermine support. However, concerns were raised that price caps might weaken the clarity and signalling effect of the scheme. The industrial impact of the transition, particularly in sectors such as automotive manufacturing, was also a concern. Participants called for policies that maintain competitiveness while supporting decarbonisation, including local content requirements and eco-bonus schemes.

Transparent communication regarding the long-term benefits of ETS<sub>2</sub> – such as energy independence, lower costs and improved air quality – was seen as essential for gaining public trust. Lessons from past energy transitions, including the risks of over-subsidisation, underscored the need for well-designed incentives and clear messaging.

The exchange concluded with a shared understanding that the success of ETS<sub>2</sub> will depend on careful preparation, accompanying regulations, fair revenue allocation and effective communication. The extra year before implementation provides an opportunity to refine support mechanisms, align national and European policies and build public confidence. Collaboration and knowledge-sharing among countries will be key to navigating the complexities of ETS<sub>2</sub> and ensuring that it serves as a guardian of the EU's climate targets. It was highlighted that ETS<sub>2</sub>, as a scheme, reflects what is necessary to achieve the jointly agreed EU climate neutrality target.

Whether in the context of electrification or further development of the ETS<sub>2</sub> framework, close cooperation among the Weimar Triangle countries is indispensable for successfully supporting and shaping these multidimensional transformations. These challenges must be tackled together and be addressed through a shared and agreed-upon way forward.

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## Programme

### Welcoming remarks:

**Martin KOOPMANN**, Director, Genshagen Foundation

### Expert discussion round:

Flex or Fail? Electrification and flexibility challenges and solutions in Germany, France, and Poland

**Kristina HAVERKAMP**, Managing Director, German Energy Agency (dena)

### Inputs:

**Barbara ADAMSKA**, President of the Management Board, Polish Energy Storage Association, Berlin

**Achim COENEN**, Managing Director Germany, Siemens Energy, Munich

**Rémy GARAUDE-VERDIER**, European Affairs Director, Enedis, Brussels

**Jan-Kristof WELLERSHOFF**, Deputy Director-General of the Electricity Department, Federal Ministry for Economic Affairs and Climate Action, on behalf of the Head of Department, Berlin

### Moderation:

**Lea-Valeska VON GALL**, Team Lead Electricity International, German Energy Agency (dena)

## Policy Roundtable:

Acting Rather Than Reacting: Strategic Preparation for the ETS2

**Christoph BALS**, Policy Director, German-watch

### Inputs:

**Jérôme BROUILLET**, Minister Counselor for Economic Affairs, French Embassy in Germany, Berlin

**Wojciech BURKIEWICZ**, Deputy Director, Chancellery of the Prime Minister, Warsaw

**Berthold GOEKE**, Ministerial Director Climate Action, Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection, Berlin

**Charles WEYMULLER**, Chief Economist, EDF Group, Paris

### Moderation:

**Jakub WIECH**, Editor-in-Chief, Energetyka24

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As part of the main theme of the Genshagen Founda-  
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