

# Focus on Energy Law and Economics

Swiss and German governments have decided to pursue the so-called «Energiewende». At a conference held at the Faculty of Law, researchers from multiple disciplines discussed a range of questions that arise from a Law and Economics perspective.



Hydropower – an epitome of clean energy. (In the picture: lac d'Émosson, a reservoir in the canton of Valais; ©iStock.com/Serbek)

■ LYNN GUMMOW

The 6<sup>th</sup> Law and Economics conference, this year on «Energy Law and Economics», took place on April 7 and 8 at the Faculty of Law of the University of Lucerne. It was organized by the Center for Law and Sustainability (CLS) together with the University of Notre Dame Law School. This ongoing collaboration has resulted in a student exchange programme as well as a double degree partnership (Master degree in Lucerne in combination with an LL.M. degree in Notre Dame).

Prof. Dr. Bruno Staffelbach, President of the University of Lucerne, welcomed the participants. With the new Faculty of Economics and Management at the University of Lucerne, Law and Economics has become an even more important research topic and a focal point for collaboration between the Faculty of Law and the Faculty of Economics and Management. Prof. Dr. Bernhard Rütsche, Dean of the Faculty of Law, drew attention to the relevance of this conference to the research in the framework of the Competence Center for Research in Energy, Society and Transition (SCCER CREST) at the University of Lucerne.

## Exit from nuclear power

Prof. Dr. Klaus Mathis, Chairing Director of the CLS, opened the conference with an introduction on the energy transition strategy in Switzerland. The Swiss Federal Council and the parlia-

ment have decided to pursue the so-called «Energiewende» (energy transition). First, a decarbonization of the energy economy is intended by reducing the use of fossil energy sources. Second, as a reaction to the Fukushima accident a nuclear phase-out shall eliminate the dangers of nuclear technologies. This double goal setting is a huge challenge for the energy policy. Mathis pointed to the popular vote on May 21 on the first reform package of the energy law, which is part of the new Energy Strategy 2050 of the Swiss Federal Council.

Prof. Dr. Sebastian Heselhaus (Lucerne) presented an overview of the history of energy transitions and subsequently discussed the current transition in Germany and Switzerland. Prof. Bruce Huber (Notre Dame) continued with a brief historical survey of the American energy policy. He then moved on to an analysis of some of today's vexing energy problems and demonstrated that the adoption of acceptable cost-sharing mechanisms is crucial for the upgrade of the energy infrastructure. To identify such mechanisms we must not only look at the distribution and magnitude of costs – who will pay, and how much – but also at the operation of the relevant political, legal, and regulatory institutions. According to Huber, the key point is that superior technologies are not self-executing. Clean, safe and abundant energy doesn't simply depend on technological improvement, but also on securing a viable way to pay for it.

## Stimulating debate

During the afternoon on the first day of the event, the conference was split into two panels featuring a range of specific topics such as tax incentives for reducing energy consumption, the rebound effect in energy efficiency policies or on energy transition in Switzerland. On the second day, Prof. Dr. Felix Ekdert and Jutta Wieding (Research Unit Sustainability and Climate Policy, Leipzig) argued that achieving the temperature limit set in the Paris agreement would require a complete decarbonization. They criticized that the current energy transition policy focuses on electricity too much whereby the use of fossil fuels in mobility and heating is often ignored. Prof. Dr. Rolf Weber (Zurich) discussed the advantages of using energy labels as a part of a nudging policy and analyzed their admissibility in the light of WTO law. In closing, Prof. James Coleman (Dedman School of Law, Dallas) rounded off the conference with his presentation on public participation and the regulatory process in the energy policy. After a quite stimulating debate, the conference closed with a lunch boat cruise on the lake of Lucerne, which was greatly enjoyed by all participants.

Lynn Gummow is SNF research assistant to Prof. Dr. Klaus Mathis.