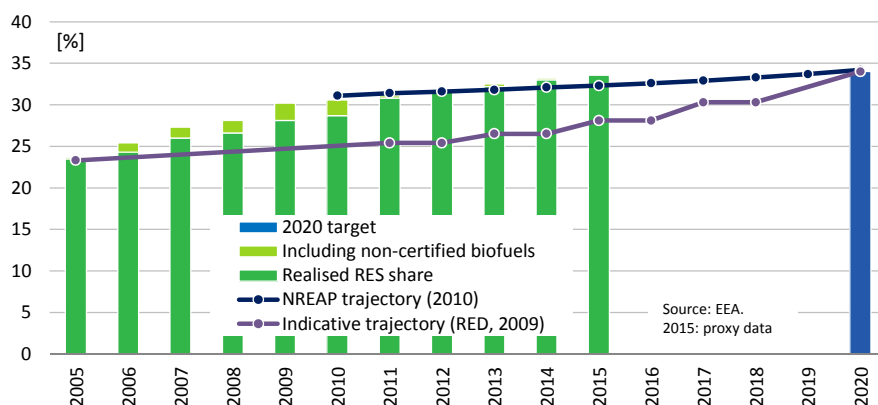


Summary

Main support scheme: sliding feed-in premium scheme, incentives for small scale solar thermal installations, heat pumps, geothermal and biomass heating plants, quota system in the transport sector.

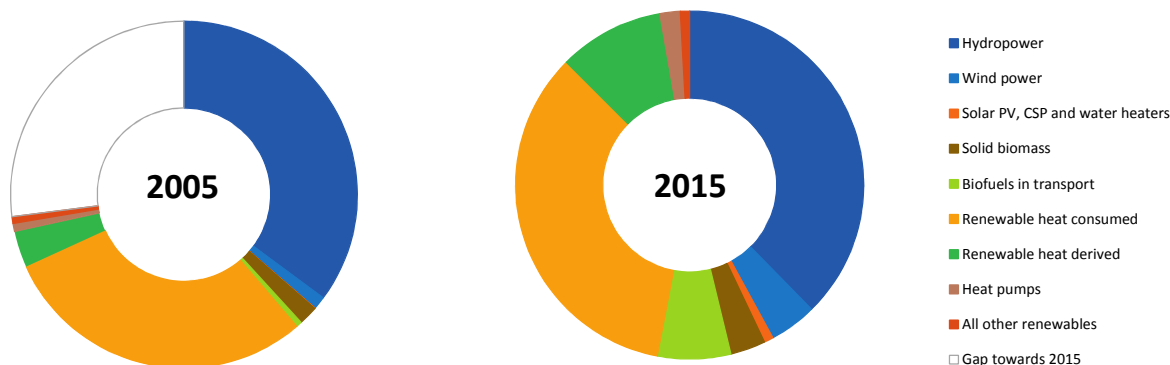


Abbreviations used:

RES: renewable energy sources
 RES-E: renewable electricity
 RES-H/C: renewable heating/cooling
 RES-T: renewable transport fuels

Data for 2015

Overall RES share:	33.0%	Avoided fossil fuels:	15.1 [Mtoe]
Overall RES 2020 target:	34.0%	Avoided fuel expenses:	3.4 [billion euro]
Share RES-E in electricity:	70.3%	RES Turnover:	6935 [MEUR]
Share RES-T in transport:	11.4%	RES Employment:	37100 [jobs]
Share RES-H/C in heating:	32.0%		



	2005	2015		
	Energy	Energy	Employment	Turnover
Hydropower	3243.9 ktoe	3474.5 ktoe	5850 Jobs	1635 MEUR
Wind power	112.8 ktoe	407.1 ktoe	5500 Jobs	1070 MEUR
Solar PV, CSP and water heaters	1.8 ktoe	80.6 ktoe	6200 Jobs	1055 MEUR
Solid biomass	165.7 ktoe	300.7 ktoe	15450 Jobs	2045 MEUR
Biofuels in transport	50.8 ktoe	626.5 ktoe	1200 Jobs	400 MEUR
Renewable heat consumed	2719.7 ktoe	3184.8 ktoe		
Renewable heat derived	314.1 ktoe	902.3 ktoe		
Heat pumps	69.2 ktoe	175.6 ktoe	2200 Jobs	515 MEUR
All other renewables	56.3 ktoe	78.5 ktoe	6550 Jobs	1850 MEUR
Gap towards 2015	2496.4 ktoe			

Source: Eurostat, EurObserv'ER, 2017.

Hydropower jobs & turnover only covers 'small hydropower'. PV=Photovoltaics, CSP=Concentrated Solar Power. Biofuels in transport only covers compliant fuels (employment and turnover additionally cover the non-compliant biofuels). Derived heat includes heat produced in main activity producer plants and heat sold produced in autoproducer plants. Its counterpart is the final heat consumption in the final consumption sectors (such as households).



CURRENT RENEWABLE ENERGY POLICY

The current Austrian government programme, adopted in December 2013 and focussing on the next five years, outlines the objectives, challenges and a wide range of measures related to energy policy. The main challenges for national energy policy lie in the following areas: the EU framework, energy transition (decarbonisation), development of network infrastructure, competition, duration of planning and consenting and permitting processes, support systems, security of supply, and affordability of energy. Regarding general energy policy, the government plans to develop an energy strategy to 2030 with the involvement of all relevant stakeholders, and to strengthen E-Control's focus on regulatory activities. Regarding energy efficiency, the plans include stabilising final energy consumption at 1100 petajoules (PJ), or 26.3 Mtoe, per year by 2020 and implementing the EU Energy Efficiency Directive (2012/27/EU). Austria's long-term energy policy objectives are outlined in the 2010 Energy Strategy Austria (Energienstrategie Österreich). The aim was to "develop a sustainable energy system which makes energy services available for private consumption as well as for businesses in the future while implementing EU rules. Security of supply, environmental compatibility, cost-effectiveness, social compatibility and competitiveness have been fixed as core objectives in the Energy Strategy Austria." The Energy Strategy Austria (hereafter the Strategy) aims to stabilise final energy consumption in 2020 at its 2005 levels, i.e. 1 100 PJ (26.3 Mtoe), 2% lower than in 2011. The Strategy relies on three pillars to reach this objective – energy efficiency, renewable energy and security of supply. This objective is consistent with the federal government's call for a stronger de-coupling between economic growth and energy consumption. The Strategy was developed in line with EU energy policy and its specific goals as well as with regard to the international obligations that Austria has towards institutions such as the IEA. Under the current government, an energy strategy to 2030 will be developed.¹

OVERVIEW OF MAIN SUPPORTING POLICIES

In Austria, electricity from renewable sources is supported mainly through a feed-in tariff. Since 2002, the Green Electricity Act (Ökostromgesetz) sets feed-in tariffs for different renewable energy sources. The levels of feed-in tariffs are annually adapted and set in the Eco Electricity Ordinance (Ökostromverordnung). No use is made of any other instruments, such as quotas or certificates. Feed-in tariffs are basically set in annual regulations and may be set for several years. There is a special annual reduction in the feed-in tariff for photovoltaic systems. Unless new tariffs are set, the feed-in tariff is reduced by 1 % per annum for all other technologies. Measures in individual provinces (investment funds and support programmes on state level) most notably in the renewable heat sectors are further important support schemes. The most substantial form of supporting small-scale RES heating and cooling is provided by the Environmental Assistance in Austria (UFI) programme. There are special investment incentives for solar thermal installations, heat pumps, geothermal and biomass heating plants. In Austria, the main support scheme for renewable energy sources used in transport is a quota system. More details are provided in Table 1 and Table 2 below.²

Table 1: Overview of support schemes to promote renewable energy in Austria

¹ IEA 2014: <https://www.iea.org/publications/freepublications/publication/Austria2014.pdf>

² Adapted from REN21, Global Status Report 2017, http://www.ren21.net/wp-content/uploads/2016/10/REN21_GSR2016_FullReport_en_11.pdf.

	REGULATORY POLICIES					FISCAL INCENTIVE AND PUBLIC FINANCES			
	Feed-in premium	Tendering	Quota obligation with Tradable Green certificates	Quota obligation without Tradable Green certificates	Net-metering/ net-billing	Capital subsidy, grants ₃	Tax regulation mechanism I (EIA)	Tax regulation mechanism II (MIA/VAMIL)	Loans*
RES-E									
- Offshore wind									○
- Onshore wind	○								○
- Solar	○				○				○
- Hydro	○					○			○
- Geothermal	○								
- Solid biomass	○								
- Biogas	○								
RES-H/C									
- Solar thermal						○			
- Geothermal									
- Biomass									○
- Biogas									
- Small scale installations, e.g. solar thermal collectors, heat pumps, biomass boilers and pellet stoves						○			
-									
RES-T									
- Bio gasoline			○			○		○	
- Biodiesel			○			○		○	

*incl. EU level loans

Sources: EurObserv'ER, GSR/REN21, RES-Legal Europe (2017)

Table 2: Brief description of key policy instruments aimed at promoting RES in Austria⁴

Instrument	Description
Green book for an integrated energy- and climate strategy	The publication of the Green book in June 2016 has started the discussion for an integrated energy- and climate strategy. The green book analyses the current situation and compares existing scenarios. A set of questions kick starts the public debate, which includes target setting for 2030 and visioning till 2050.
Investment Subsidy for Large Solar Thermal Plants	EUR 5 million is available to be distributed as an investment subsidy to support deployment of large solar thermal plants in 2013. Support is available for demonstration projects with a minimum size of 50m ² and up to 2,000m ² . The scheme was open for application between 24th April 2013 and 27th September 2013.

⁴ <https://www.iea.org/policiesandmeasures/renewableenergy/?country=Austria>

Investment Subsidy for Solar PV installations <5kWpeak (PV/BIPV 2016)	<p>EUR 8 million is available in 2017 to be distributed as an investment subsidy to the individuals owning small solar PV installations (< 5kWp)</p> <ul style="list-style-type: none"> • 275 €/kWp for free standing PV systems and max. 35 % of investment costs. • 375€/kWp for building integrated PV systems and max. 35 % of investment costs.
Green Electricity Act 2012	<p>Targets for additional installations in the period 2010 to 2020 according to the Green Electricity Act: Hydro 1,000 MW, Wind 2,000 MW, PV 1,200 MW, biomass and biogas 200 MW, depending on availability of resources;</p> <p>Green electricity lump sum fee starting from 11 Euro p.a. up to 35,000 Euro p.a. depending on network level with exemptions for low-income;</p> <p>Customer also has to pay a Green electricity funding contribution as a surcharge to network tariffs;</p> <p>Suppliers pay market price for electricity (hourly day ahead spot market price EEX/EXAA) plus price for certificates of origin (determined in a decree of the Energy Regulatory Authority)</p>
Eco Electricity Ordinance (feed-in tariffs) based on Eco-Electricity Act 2012	<p>Feed-in tariffs are annually adjusted and published in the Eco Electricity Ordinance (Ökostromverordnung)⁵</p> <p>PV : 7,91 €cent/kWh</p> <p>Wind: 7,36 €cent/kWh</p> <p>Geothermal electricity: 7,36 €cent/kWh</p> <p>Solid Biomass: 4,75 €cent/kWh – 22,22 €cent/kWh (depending on size)</p> <p>Liquid Biomass: 5,51 €cent/kWh</p> <p>Biogas: 12,38 €cent/kWh – 18,67 €cent/kWh (depending on size)</p> <p>Hydro: 3,14 €cent/kWh – 10, 25 €cent/ kWh</p> <p>Contracts for wind energy, solar PV, landfill and sewage gas and geothermal energy last 13 years, while the rest (biomass and other biogas) last 15 years.</p>
Klimaschutzgesetz KSG ("law for climate protection")	<p>The Law for Climate Protection is a framework policy regulating the overall Austrian climate change strategy. The law includes sectoral allocation of targets regarding climate protection, and explains the negotiation process to develop of measures to reach these sectoral targets. Also, the law institutes the concept of joint cost sharing and creates Coordination committees to improve the efficiency of climate change strategy.</p>

⁵ Eco Electricity Ordinance 2016:

<https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20009442>, last accessed 26 July 2017.

For further information:

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What is meant by ...?

Auctions for granting renewable energy support	An auction is a process of granting production or investment support to renewable energy projects based on the lowest bids by eligible project developers.
Feed-in tariff (FiT)	A support scheme which provides for a technology-specific remuneration per unit of renewable energy payable to eligible renewable energy producers. A proper, periodic review of FiT rates is often undertaken with the aim to prevent both too high FiTs so as to minimise regulatory rents, i.e. supra-normal returns and too low FiTs to preclude below-target market uptake because of FiT levels that are perceived by market participants to be less attractive. In addition, feed-in tariffs often include "tariff depression", a mechanism according to which the price (or tariff) ratchets down over time.
Feed-in premium (FiP)	A scheme which provides for a support level per unit of renewable energy to eligible renewable energy producers, typically for a period of 10-20 years, at a pre-set fixed or floating rate. The premium is typically adjusted periodically to exactly offset change in the average energy wholesale market price, based on a pre-specified benchmark market price. A floating FiP may move freely or may only be allowed to move within a pre-set interval.
Grants	Grants are non-repayable funds disbursed by one party (grant makers), often a government department, corporation, foundation or trust, to a recipient, often (but not always) a non-profit entity, educational institution, business or an individual. (Source: Wikipedia.org)
Green public procurement	In Green public procurement contracting authorities take environmental issues into account when tendering for goods or services. The goal is to reduce the impact of the procurement on human health and the environment. (Source: Wikipedia.org)
Renewable quota scheme (RQS)	A RQS mandates certain market actors (typically retail suppliers or large energy end-users) to respect a pre-set minimum share or amount of their total energy procurements from renewable sources of energy. Typically a tradable green certificate (TGC) scheme is operated to enable the obligated parties to prove their compliance with the prevailing renewable quota target by means of TGCs.
Sliding feed-in-tariff	A FiT scheme which pre-sets technology-specific declining feed-in tariffs for certain prospective vintages in line with the technology-specific learning curve, as projected by the National Regulatory Agency (NRA). Often a depression rate is used indicating the %/annum decrease in the rate level.
Soft loans	Loans at concessional (below market-based) terms, for example at sub-market-conform interest rates, made available in several Member States to stimulate certain renewable energy technologies.
Tax credits	These are amounts a tax paying entity is allowed to deduct when declaring

payable taxes, for example company tax or income tax, to the tax authorities, for example the producer tax credits (PTCs) used in the United States to stimulate among others wind energy deployment.



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