Austria

Renewable Energy Policy Factsheet

June 2018

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 2016 **Overall RES share:** Overall RES 2020 target: Share RES-E in electricity: Share RES-T in transport: Share RES-H/C in heating:

33.5% 34.0% 72.6% 10.6% 33.3%

Avoided fuel expenses: **RES Turnover: RES Employment:**

3.6 [billion euro] 4120 [MEUR]





Avoided fossil fuels:

15.1 [Mtoe] 24000 [jobs]



□ Gap towards 2016

Source: Eurostat, 2018.

	2005		2016	
	Energy	Energy	Employment	Turnover
Hydropower	3244.0 ktoe	3570.5 ktoe	4800 Jobs	770 MEUR
Wind power	112.8 ktoe	463.1 ktoe	1700 Jobs	280 MEUR
Solar PV, CSP and water heaters	1.8 ktoe	94.2 ktoe	3300 Jobs	520 MEUR
Solid biomass	165.7 ktoe	316.9 ktoe	8600 Jobs	1740 MEUR
Biofuels in transport	49.6 ktoe	515.6 ktoe	2900 Jobs	390 MEUR
Renewable heat consumed	2670.8 ktoe	3511.2 ktoe		
Renewable heat derived	304.5 ktoe	948.0 ktoe		
Heat pumps	69.2 ktoe	207.5 ktoe	1900 Jobs	300 MEUR
All other renewables	43.6 ktoe	79.0 ktoe		
Gap towards 2016	3043.9 ktoe			Source: Eurostat, EurObserv'ER, 2018.

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

In Austria, electricity from renewable sources is supported mainly through a feed-in tariff. The construction of small (<10 MW) and medium-sized (<15 MW) hydro-electric power stations is supported by investment grants and small PV installations (<5 kW) through subsidies. Basically, the feed-in tariff and subsidies are mutually exclusive with some exceptions.

Heating and cooling from renewable energy sources is supported through different incentive schemes, both on the state level and on the level of the individual federal states ("Länder"). 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. To ensure that biofuels make up a defined percentage of the annual fuel sales, there is a substitution obligation in force since 2005. From 2009, the substitution target amounts to 5.75 %, measured by the total fossil petrol or diesel introduced or used in the federal territory. Moreover, the investment promotion programme `klimaaktiv mobil` supports the deployment of environmental friendly vehicles, electric mobility and renewable energies, cycling and mobility management with a budget of \notin 72 million.

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. Feed-in tariffs are annually adjusted and published in the Eco Electricity Ordinance (Ökostromverordnung)¹. 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. No use is made of any other instruments, such as quotas or certificates in the electricity sector. Tariffs depend on size and date of proposal for permission (Antragstellung). 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

¹ Eco Electricity Ordinance 2012, adoption and published on 22 December 2017, <u>https://www.oem-ag.at/fileadmin/user_upload/Dokumente/gesetze/Oekostrom-EinspeisetarifVO_2018.pdf</u>, last accessed 28 June 2018.

² Adapted from REN21, Global Status Report 2018, <u>http://www.ren21.net/wp-content/uploads/2018/06/17-8652_GSR2018_FullReport_web_final_.pdf</u>, page 64.

Table 1: Overview of support schemes to promote renewable energy in Austria³

	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 ⁴	Tax regulation mechanism I (EIA)	Tax regulation mechanism II (MIA/VAMIL)	Loans*
RES-E									
- Offshore wind									
- Onshore wind	0								0
- Solar	0				0				0
- Hydro	0					0			0
- Geothermal	0								
- Solid biomass	0								
- Biogas	0								
RES-H/C									
- Solar thermal						0			
- Geothermal									
- Biomass									0
- Biogas									
 Small scale installations, e.g. solar thermal collectors, heat pumps, biomass boilers and pellet stoves 						0			
RES-T									
- Bio gasoline			0			0		0	
- Biodiesel			0			0		0	

*incl. EU level loans

Table 2: Brief description of key policy instruments aimed at promoting RES in Austria⁵

Instrument	Description
Green book for an	The publication of the Green book in June 2016 has started the discussion
integrated energy- and	for an integrated energy- and climate strategy. The green book analyses
climate strategy	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	EUR 4,5 million is available in 2018 to be distributed as an investment
for Solar PV	subsidy to the individuals owning small solar PV installations (< 5kWp)
installations <5kW	 275 €/kWp for free standing PV systems and max. 35 % of
2018)	investment costs.

³ Sources: EurObserv'ER, GSR/REN21 2018, RES-Legal Europe (2018)

⁵ IEA: <u>https://www.iea.org/policiesandmeasures/renewableenergy/?country=Austria</u>

	• 375€ /kWp for building integrated PV systems and max. 35 % of			
	investment costs.			
Investment Subsidy	• 200 €/kWp for free standing PV systems and max. 35 % of			
for Solar PV	investment costs.			
installations <50kW	• 300€ /kWp for building integrated PV systems and max. 35 % of			
2018)	investment costs.			
Green Electricity Act	Targets for additional installations in the period 2010 to 2020 according			
2012	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.			
Feedin Tariffs (2018) in	PV:			
Eco Electricity	2018: 7,91 €cent/kWh			
Ordinance (based on	2019: 7,67 €cent/kWh			
Eco-Electricity Act	Wind:			
2012)	2018: 8,20 €cent/kWh			
	2019: 8,12 €cent/kWh			
	Geothermal electricity:			
	2018: 7,29 €cent/kWh			
	2019: 7,22 €cent/kWh			
	Solid Biomass:			
	2018: 10,10 – 21,78 €cent/kWh			
	2019: 10,00 – 21,56 €cent/kWh			
	Liquid Biomass:			
	2018: 5,45 €cent/kWh			
	2019: 5,40 €cent/kWh			
	Biogas:			
	2018: 16,24 – 19,14 €cent/kWh			
	2019: 16,10 – 18,97 €cent/kWh			
	Landfill gas:			
	2018: 4,70 €cent/kWh			
	2019: 4,66 €cent/kWh			
	Sewage gas:			
	2018: 5,65 €cent/kWh			
	2019: 5,60 €cent/kWh			
	Hydro:			
	2018: 3,23 – 13,00 €cent/ kWh			
	2019: 3,20 – 12,87 €cent/ kWh			
Klimaschutzgesetz KSG	The Law for Climate Protection is a framework policy regulating the overall			
("law for climate	Austrian climate change strategy. The law includes sectoral allocation of			
protection")	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.			

For further information:

BMNT 2017: Factsheet Renewables 2017 (English), BUNDESMINISTERIUM FÜR NACHHALTIGKEIT UND TOURISMUS (BMNT),

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European Commission (2017): Energy statistics, <u>http://ec.europa.eu/eurostat/data/database</u>, last accessed June 2017.

European Commission (2017): Member State Progress Report, http://ec.europa.eu/energy/en/topics/renewable-energy, last accessed June 2017.

IEA (2017): IEA/IRENA Joint Policies and Measures Database: Austria Statistics, <u>https://www.iea.org/policiesandmeasures/renewableenergy/?country=Austria</u>, last accessed June 2018.

IRENA (2013): Renewable Energy Country Profiles,

http://www.irena.org/DocumentDownloads/Publications/_EU27Complete.pdf, last accessed June 2017.

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PV Austria 2018: Österreichweite Förderungen für Photovoltaik, <u>https://www.pvaustria.at/forderungen</u>, last accessed June 2018.

REN21. (2018): Renewables 2018 Global Status Report, (Paris: REN21 Secretariat), <u>http://www.ren21.net/wp-content/uploads/2018/06/17-8652_GSR2018_FullReport_web_final_.pdf</u>, last accessed June 2018.

RES Legal (2017): Database, <u>http://www.res-legal.eu/search-by-country/austria/</u>, last accessed June 2017.

Umweltbundesamt (2016): Klimaschutzbericht 2016, <u>www.umweltbundesamt.at/fileadmin/site/publikationen/REP0582.pdf</u>, last accessed June 2017.

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 degression", 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 degression rate is used indicating the %/annum decrease in the rate level.

- Soft loansLoans 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 creditsThese 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.



This project is funded by the European Union under contract nº ENER/C2/2016-487/SI2.742173

Disclaimer

This document was prepared by the EurObserv'ER consortium, which groups together Observ'ER (FR), the Energy research Centre of the Netherlands (ECN, NL), the Renewables Academy (RENAC, DE), Frankfurt School of Finance and Management (DE), Fraunhofer-ISI (DE) and Statistics Netherlands (CBS, NL). The information and views set out in this publication are those of the author(s) and do not necessarily reflect the official opinion of the Commission. The Commission does not guarantee the accuracy of the data included in this study. Neither the Commission nor any person acting on the Commission's behalf may be held responsible for the use which may be made of the information contained therein.