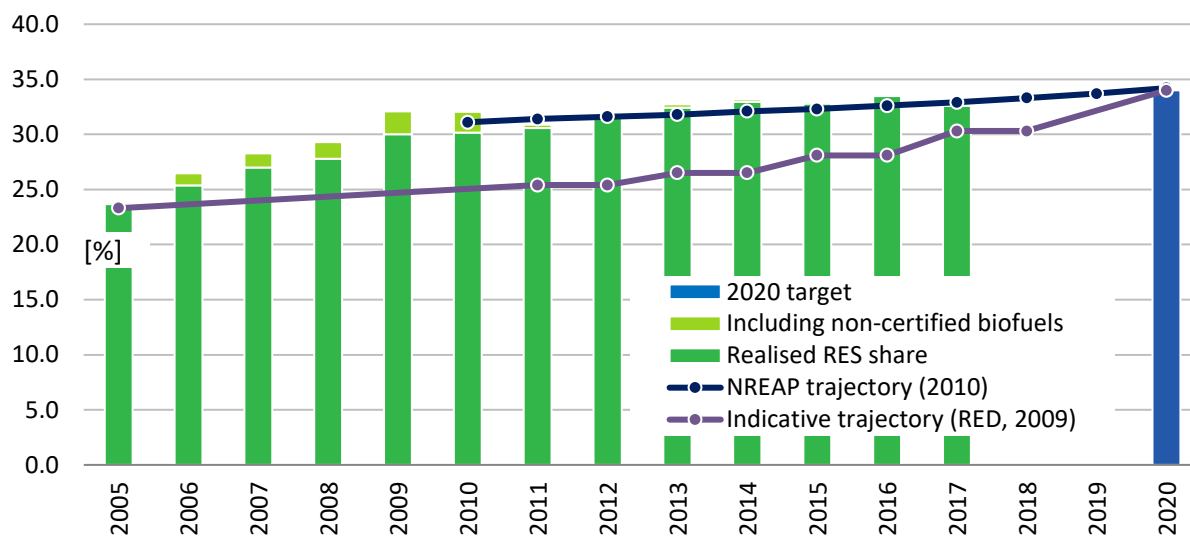


Summary

Renewable electricity in Austria is primarily promoted through feed-in tariffs. Beyond there are also investment subsidies. Heating and cooling support schemes (investment subsidies) exist on state and national level. A quota system is in place in the transport sector (biofuel quota) besides tax exemptions, subsidies (investment grants) for biofuels, hydrogen and electric vehicles.



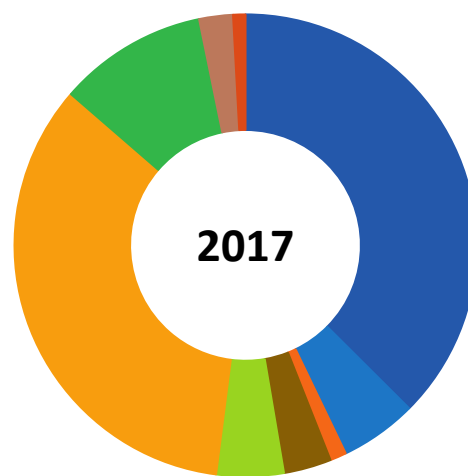
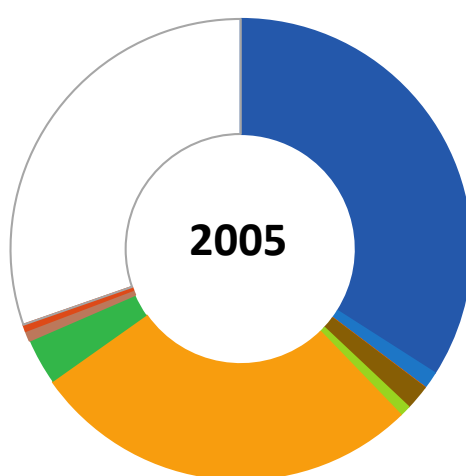
Source: EEA, Eurostat

Abbreviations used:

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

Data for 2017

Overall RES share:	32.6%	Avoided fossil fuels:	16.4 [Mtoe]
Overall RES 2020 target:	34.0%	Avoided fuel expenses:	4.2 [billion euro]
Share RES-E in electricity:	72.2%	RES Turnover:	4090 [MEUR]
Share RES-T in transport:	9.7%	RES Employment:	23500 [jobs]
Share RES-H/C in heating:	32.0%		



- Hydropower
- Wind power
- Solar PV, CSP and water heaters
- Solid biomass
- Biofuels in transport
- Renewable heat consumed
- Renewable heat derived
- Heat pumps
- All other renewables
- Gap towards 2017

Source: Eurostat, 2019.

	2005		2017		
	Energy		Energy	Employment	Turnover
Hydropower	3244.5 ktoe		3569.8 ktoe	4600 Jobs	790 MEUR
Wind power	114.9 ktoe		513.6 ktoe	2000 Jobs	350 MEUR
Solar PV, CSP and water heaters	1.8 ktoe		109.1 ktoe	2800 Jobs	460 MEUR
Solid biomass	165.7 ktoe		317.5 ktoe	8700 Jobs	1630 MEUR
Biofuels in transport	73.8 ktoe		448.0 ktoe	2000 Jobs	300 MEUR
Renewable heat consumed	2611.8 ktoe		3271.1 ktoe		
Renewable heat derived	313.1 ktoe		992.6 ktoe		
Heat pumps	68.8 ktoe		224.8 ktoe	1300 Jobs	220 MEUR
All other renewables	43.9 ktoe		81.5 ktoe		
Gap towards 2017	2889.8 ktoe				

Source: Eurostat, EurObserv'ER, 2019.

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 and investment subsidies. 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 renewable energy support scheme in transport is a quota system, obliging companies to a defined percentage of their annual fuel sales. Biofuels are further supported through a fiscal regulation mechanism (tax exemption from mineral oil tax) and the investment promotion scheme ‘klimaaktiv mobil’ – supporting biofuels, electric and fuel cell vehicles with an annual budget of € 80 million until 2021.

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) is the legal framework for renewable energy support. 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, adopted and published on 22 December 2017, https://www.oem-ag.at/fileadmin/user_upload/Dokumente/gesetze/Oekostrom-EinspeisetarifVO_2018.pdf, last accessed 22 May 2019.

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

³ Sources : EurObserv'ER 2019, GSR/REN21 2018, RES-Legal (2018): <http://www.res-legal.eu/search-by-country/austria>

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

Instrument	Description
Green book for an integrated energy- and climate strategy⁴	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 Solar PV installations <5kW 2019⁵	EUR 4,3 million is available in 2019 to be distributed as an investment subsidy to the individuals owning small solar PV installations (< 5kWp) <ul style="list-style-type: none"> • 250 €/kWp for free standing PV systems and max. 35 % of investment costs. • 350€ /kWp for building integrated PV systems and max. 35 % of investment costs.
Investment Subsidy for Solar PV installations <50kW 2019)	<ul style="list-style-type: none"> • 200 €/kWp for free standing PV systems and max. 35 % of investment costs. • 300€ /kWp for building integrated PV systems and max. 35 % of investment costs.
Investment subsidy for PV Storage system	<ul style="list-style-type: none"> • EUR 15 million per year (6 million € for storage system) • 0,5 kWh per kWp (but maximum 10 kWh): 500 €
Green Electricity Act 2012	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.
Feed-in Tariffs (2019) in Eco Electricity Ordinance (based on Eco-Electricity Act 2012)	Photovoltaic: 2019: 7,67 €cent/kWh Wind: 2019: 8,12 €cent/kWh Geothermal electricity: 2019: 7,22 €cent/kWh Solid Biomass: 2019: 10,00 – 21,56 €cent/kWh Liquid Biomass: 2019: 5,40 €cent/kWh Biogas: 2019: 16,10 – 18,97 €cent/kWh Landfill gas: 2019: 4,66 €cent/kWh Sewage gas: 2019: 5,60 €cent/kWh Hydro: 2019: 3,20 – 12,87 €cent/ kWh
Klimaschutzgesetz KSG ("law for climate protection")	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.

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

⁵ PV Austria 2019: <https://www.pvaustria.at/forderungen>

For further information:

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REN21. (2018): Renewables 2018 Global Status Report, (Paris: REN21 Secretariat), http://www.ren21.net/wp-content/uploads/2018/06/17-8652_GSR2018_FullReport_web_final_.pdf, last accessed May 2019.

RES Legal (2018): <http://www.res-legal.eu/search-by-country/austria/>, last accessed May 2019.

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.



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.