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.
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 August 2020, the Climate and Energy Fund provided 2.5 million euros for large-scale solar thermal plants in district heating, process heat and housing sector. For the first time, feasibility studies for large solar thermal systems with a collector area of 5000 square metres and more will be funded up to 100 percent.\(^1\)

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)\(^2\). Contracts for wind energy, solar PV, landfill and sewage gas and geothermal energy last 13 years, while the rest (biomass and other biogas) are paid over 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, partially also on state level. 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.\(^3\)

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By late 2020, a **Renewable Energies Expansion Act** (EAG) is being drafted and discussed with the aim to clarify RE support until 2030. An annual allocation volume of at least 400 megawatts is planned for wind power. The standard support model for farm support is the market premium model, i.e. direct marketing of green electricity, whereby the producer markets his green electricity himself and receives an additional market premium per kilowatt hour as support. An integrated Austrian network infrastructure plan is to be drawn up. Further plans are planned:

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

<table>
<thead>
<tr>
<th>RES-E</th>
<th>RES-H/C</th>
<th>RES-T</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Offshore wind</td>
<td>- Solar thermal</td>
<td>- Bio gasoline</td>
</tr>
<tr>
<td>- Onshore wind</td>
<td>- Geothermal</td>
<td>- Biodiesel</td>
</tr>
</tbody>
</table>
| - Solar | - Biomass | |%
| - Hydro | - Biogas | |%
| - Geothermal | | |%
| - Solid biomass | | |%
| - Biogas | | |%
| 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 (ELA) | | |%
| Tax regulation mechanism II (MA/VAMIL) | | |%
| Loans* | | |%

*incl. EU level loans

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4 IG Windkraft 2020, [https://www.igwindkraft.at/?mdoc_id=1044663](https://www.igwindkraft.at/?mdoc_id=1044663).
## Table 2: Brief description of key policy instruments aimed at promoting RES in Austria

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Description</th>
</tr>
</thead>
</table>
| **AWS investment grant**<sup>6</sup> | € 1 billion support as part of the Corona recovery programme for the Austrian economy: Eligible costs:  
- PV modules, Inverter, Elevations, tracking systems (both single and double axis), electricity storage unit, lightning protection  
- 14% of eligible investment costs, minimum eligible investment volume per application is EUR 5,000 without VAT.  
- maximum eligible investment volume per company is EUR 50 million without VAT |
| **Climate and Energy fund: Investment Subsidy for Solar PV installations <5kW (2019)**<sup>7</sup> | • Investment subsidy for the first 5 kWp of small PV systems (private and commercial Support  
- budget: 10 million euros  
- End of funding: until 31.03.2021 (or as long as budget is available)  
- 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)** | • 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 systems (up to 500 kWp) and electricity storage (up to 50 kWh)** | • 36 million euros are available per year (EUR 24 million for the PV systems + EUR 12 million for of electricity storage)  
- PV systems capacity up to 100 kWp: 250 Euro per kWp  
- PV systems 100 to 500 kWp: 200 Euro per kWp (but max. 30% of the investment costs)  
- Flat-rate subsidy for electricity storage  
- Minimum size of the electricity storage: 0.5 kWh per kWp installed capacity  
- 200 Euro/kWh or max. 30% of the investment volume |
| **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)** | For 13 years  
- Photovoltaic (5-200 kWp): 7,67 €cent/kWh  
- Wind: 8,12 €cent/kWh  
- Geothermal electricity: 2019: 7,22 €cent/kWh  
- Solid Biomass: 10,00 – 21,56 €cent/kWh  
- Liquid Biomass: 5,40 €cent/kWh  
- Biogas: 16,10 – 18,97 €cent/kWh  
- Landfill gas: 4,66 €cent/kWh  
- Sewage gas: 5,60 €cent/kWh  
- Hydro: 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. |

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<sup>6</sup> PV Austria 2020: [https://www.pvaustria.at/forderungen](https://www.pvaustria.at/forderungen).
<sup>7</sup> PV Austria 2019: [https://www.pvaustria.at/forderungen](https://www.pvaustria.at/forderungen).
For further information:


### What is meant by ...?

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auctions for granting renewable energy support</td>
<td>An auction is a process of granting production or investment support to renewable energy projects based on the lowest bids by eligible project developers.</td>
</tr>
<tr>
<td>Feed-in tariff (FiT)</td>
<td>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.</td>
</tr>
<tr>
<td>Feed-in premium (FiP)</td>
<td>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.</td>
</tr>
<tr>
<td>Grants</td>
<td>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)</td>
</tr>
<tr>
<td>Green public procurement</td>
<td>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)</td>
</tr>
<tr>
<td>Renewable quota scheme (RQS)</td>
<td>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.</td>
</tr>
<tr>
<td>Sliding feed-in-tariff</td>
<td>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.</td>
</tr>
<tr>
<td>Soft loans</td>
<td>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.</td>
</tr>
<tr>
<td>Tax credits</td>
<td>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.</td>
</tr>
</tbody>
</table>

### Disclaimer

This document was prepared by the EurObserv'ER consortium, which groups together Observ'ER (FR), TNO Energy Transition (NL), Renewables Academy (RENAC) AG (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.