EurObserv'ER

# Renewable Energy Policy Factsheet

June 2023

# Austria

## Renewable energy status

Share of energy from renewable sources in total gross final energy consumption

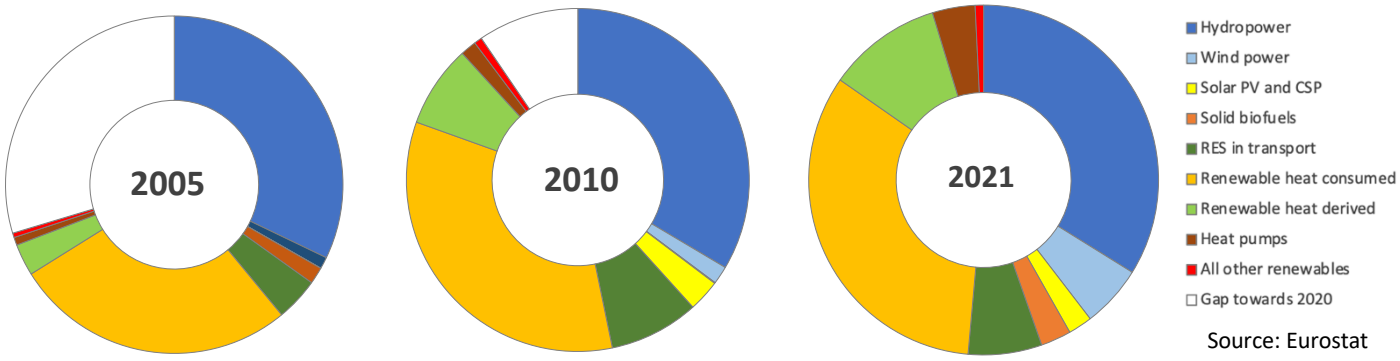

Source: Eurostat

**Abbreviations used:**

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

**Data for 2021**

| | | | |
|---|---|---|---|
| Overall RES share: | 36.4% | Avoided fossil fuels: | 5.2 [Mtoe] |
| Overall RES 2020 target: | 23.0% | Avoided fuel expenses: | 1 895 [MEUR] |
| Overall RES 2030 target: | 48.0% | RES Turnover: | 5 690 [MEUR] |
| Share RES-E in electricity: | 76.19% | RES Employment: | 30 200 [jobs] |
| Share RES-T in transport: | 9.4% | RES imports[2]: | 612 [MEUR] |
| Share RES-H/C in heating: | 35.5% | RES exports[2]: | 359 [MEUR] |




Source: Eurostat

| | 2005 | 2010 | 2021 | | |
|---|---|---|---|---|---|
| | Energy in ktoe | Energy in ktoe | Energy in ktoe | Employment in FTE | Turnover in MEUR |
| Hydropower | 3 303.5 | 3 447.6 | 3 638.7 | 4 500 | 810 |
| Wind power | 114.9 | 174.7 | 616.5 | 2 000 | 380 |
| Solar PV, and CSP | 1.8 | 7.6 | 239.3 | 5 000 | 880 |
| Solid biomass | 164.7 | 308.7 | 303.0 | 9 800 | 2 070 |
| Ren. energy in transport[3] | 427.1 | 871.1 | 731.4 | 2 600 | 390 |
| Renew. heat consumed | 2 787.2 | 3 466.5 | 3 577.1 | | |
| Renew. heat derived | 314.1 | 797 | 1 137.4 | | |
| Heat pumps | 77.7 | 155.8 | 424.7 | 2 600 | 480 |
| All other renewables | 43.9 | 76.7 | 83.5 | 3 700 | 680 |
| Gap towards 2020 | 3 048.1 | 978.2 | | | |

Source: Eurostat, EurObserv'ER

FTE = Full time equivalent, 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 auto-producer plants. Its counterpart is the final heat consumption in the final consumption sectors (such as households).

[1] From Integrated National Energy Climate Plan

[2] Referring to the International Trade chapter from the publication: EurObserv'ER - *The State of Renewable Energy in Europe, 2022 edition*

[3] Employment and turnover are only referring to biofuels in transport.

# CURRENT RENEWABLE ENERGY POLICY

## RES-E

Being a global leader in renewable energy, Austria has a target of a 100% renewable electricity supply by 2030. This target is defined in the Austrian Renewable Energy Expansion Act (*Erneuerbaren-Ausbau-Gesetz, EAG*) from 2021. The EAG introduces a market premium to support the generation of electricity from hydropower, wind power, photovoltaics, solid biomass and biogas. The market premium is the new subsidy for PV electricity fed into the grid and replaces the OeMAG tariff subsidy available up to now (current OeMAG contracts remain unaffected). Further details are to be specified in a separate ordinance on market premium support. This ordinance is still being drafted and is therefore not yet available. Furthermore, investment grants for the construction and expansion of photovoltaic systems, electricity storage systems and wind turbines are defined by the EAG.

## RES H&C

With its Renewable Heat Act (EWG), Austria has set out the path for phasing out fossil-fuel heating by 2040. Originally, 2025 was the phase-out date for gas heating in new construction. Now, no gas heating systems are to be installed in new buildings as early as 2023. There will be exceptions for buildings that have already been approved, are in the planning stage and are under construction.

The federal and state governments are already promoting the switch to climate-friendly alternatives. The budget for the renovation offensive and the "Get out of oil and gas" subsidy (“kesseltausch.at”) has been secured until 2025 and is higher than ever before. A budget of over 1 billion EUR for the entire period is intended to ensure that the replacement of fossil-fuel heating systems is made possible for all households. In addition, an additional volume of over 300 million EUR has been reserved for this period for the replacement of boilers in low-income households, which will be reimbursed for up to 100% of the investment in climate-friendly heating systems.

## RES-T

Austria is one of three countries worldwide which has an electric vehicle support policy with a direct link to support for renewable power. All cars below 141g/km are registration tax-free and VAT-exempt. BEVs are 100% tax-exempt from all relevant federal taxes, except VAT, while company BEVs are exempt from VAT. Furthermore, private customers, businesses and municipalities can receive purchase subsidies of up to 5,000 €. Biofuels are 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.

## Table 1: Brief description of key policy instruments aimed at promoting RES in Austria

| *Instrument* | *Description* |
|---|---|
| **Renewable Energy Expansion Act 2021**<br>*Erneuerbaren-Ausbau-Gesetz (EAG)* | In July 2021, the Renewable Energy Expansion Act, which replaces the Green Electricity Act, was passed in parliament. A minor amendment to the Act followed in January 2022. The reason for the revision was the EU Commission's concerns regarding state aid law, which had to be eliminated. With the Green Electricity Act, one billion euros will be made available each year until 2030 for the expansion of renewable energies in order to be able to achieve the goal of covering 100% of electricity consumption from renewable energies by 2030. This implies an increase of 27 TWh of generation capacity:<br>• 11 TWh photovoltaics<br>• 10 TWh wind power<br>• 5 TWh hydro power<br>• 1 TWh biomass<br>Website: https://www.parlament.gv.at/PAKT/VHG/XXVII/I/I_00733/index.shtml |
| **Market Premium for Fed-In PV Electricity**<br>*Vergütung zum Marktpreis* | The market premium is the new subsidy for PV electricity fed into the grid and replaces the OeMAG tariff subsidy available up to now (current OeMAG contracts remain unaffected). Further details are to be specified in a separate ordinance on market premium support. This ordinance is still being drafted and is therefore not yet available (as of June 2022). The market premium compensates for the difference between production costs and the average market price. The amount of the respective market premium depends on the value to be applied, which, depending on the energy carrier, is either determined in technology-specific tenders or set by ordinance.<br>Website: https://www.oem-ag.at/de/oekostromneu/verguetung-zum-marktpreis/ |
| **EAG Investment Grant Photovoltaics (up to 1,000 kWp) and Electricity Storage (up to 50kWh) 2022**<br>*Investitionszuschuss Photovoltaik und Stromspeicher 2022* | Subsidies for the construction or expansion of new PV systems and associated new electricity storage systems in the calendar year 2022. Investment subsidies are one-off subsidies for PV and electricity storage systems. In the case of PV systems, each individual kWp is subsidized, and in the case of electricity storage systems, each individual kWh is subsidized at a specific subsidy rate (€/kWp or €/kWh).<br>• PV Category A (0.01-10 kWp): 285 €/kWp<br>• PV Category B (>10-20 kWp): 250 €/kWp<br>• PV Category C (>20-100 kWp): 180 €/kWp<br>• PV Category D (>100-1,000 kWp): 170 €/kWp<br>• Electricity Storage (max. 50 kWh net capacity): 200 €/kWh<br>Website: https://www.oem-ag.at/de/foerderung/ |
| **EAG Investment Grant Renewable Electricity 2022**<br>*EAG-Investitionszuschüsseverordnung-Strom 2022* | Subsidies for the construction or expansion of new RES systems in the calendar year 2022. For PV see above.<br>• Hydro power (up to 100 kW): 1,950 €/kW – 2,400 €/kW<br>• Hydro power (100 kW – 2 MW): 1,450 €/kW – 2,400 €/kW<br>• Hydro power (2 MW – 25 MW): 1,400 €/kW – 1,950 €/kW<br>• Wind power (20 kW – 100 kW): 850 €/kW<br>• Wind power (100 kW – 1 MW): 675 €/kW<br>• Biomass: 2,400 €/kWel<br>Website: https://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2022_II_149/BGBLA_2022_II_149.html |
| **Law for Climate Protection**<br>*Klimaschutzgesetz (KSG)* | 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.<br>Website: https://www.bmk.gv.at/themen/klima_umwelt/klimaschutz/nat_klimapolitik/klimaschutzgesetz.html |

## *For further information:*


BMK (2022): Climate + Energy Fund, Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology, https://www.klimafonds.gv.at/, last accessed June 2022

BMK, Die österreichische Wärmestrategie, https://www.bmk.gv.at/themen/klima_umwelt/energiewende/waermestrategie/strategie.html, last accessed June 2022

BMK (2022): klimaaktiv mobil, https://www.klimaaktiv.at/mobilitaet.html, last accessed June 2022

BMK (2022): Austrian Heating Strategy (*Die österreichische Wärmestrategie*), https://www.bmk.gv.at/themen/klima_umwelt/energiewende/waermestrategie/strategie.html, last accessed June 2022

European Commission (2022): European Alternative Fuels Observatory: Austria; Incentives and Legislation, https://alternative-fuels-observatory.ec.europa.eu/transport-mode/road/austria/incentives-legislations, last accessed June 2022

Member State Progress Report, available at the Renewable Energy pages of the European Commission, http://ec.europa.eu/energy/en/topics/renewable-energy

National Energy and Climate Plans (NECPs), https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/governance-energy-union/national-energy-climate-plans

OEMAG (2022): Förderung, https://www.oem-ag.at/de/foerderung, last accessed June 2022

REN 21 (2022): Renewables Global Status Report 2022, https://www.ren21.net/gsr-2022/, last accessed June 2022

## *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 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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