



AUSTRIA



KEY TRENDS IN THE RES SECTOR

Although the share of renewable energy is relatively high in Austria across the heating, electricity and transport sectors, renewable energy growth has been sluggish over the last few years, despite the country's hydropower and biomass potential. The reasons for this are numerous.

The Austrian Government supported green electricity via the adoption of the first Green Electricity Act in 2003. However, several amendments to this act made in the following years reduced the yearly growth rates in the renewable electricity (RES-E) sector.

The implementation of an annual "financial support volume cap" led to reduced investments in RES technologies. Many projects were delayed because of this maximum financial support cap.

The Green Electricity Act was positively amended in 2012, following Fukushima. EEÖ now expects higher annual growth rates for RES-E from 2012 to 2020, in spite of the annual financial support cap.

Regarding the use of RES in the heating sector, Austria is in a favourable starting position with a more than 30% share of RES and with its long-term strategy of constantly reducing the country's heat demand. "What's more, regarding new buildings, positive measures have been adopted. EEÖ expects further positive measures in the heat sector, due to the Climate Protection Act implemented in 2011, further regulations and the new Energy Efficiency Act (publication planned in 2013).

Austria easily fulfilled the EU 2010 biofuels target (5.75 %). However further developments are hindered due to the suspension by the Government of E10 on the market. In September 2012, the Austrian Government postponed its introduction, until the situation is clarified at EU level.

Austria is a forerunner in the use of RES in the rail sector with 97% of the electricity currently used by the Austrian railway company ÖBB being generated by RES, mainly from hydropower. What's more, ÖBB intends to increase the share of electricity from photovoltaics (PV) by feeding it directly into the rail network.

Faster development of RES in Austria is hindered by the fact that the targets formulated in the National Renewable Energy Action Plan (NREAP) are not ambitious enough, though they are in line with Austria's target of 34% RES by 2020. EEÖ published an alternative RES action plan (NAP) in 2010 which suggested more ambitious, yet achievable targets for 2020 but these recommendations were not considered in the NREAP.

EEÖ supports the implementation of much more ambitious renewable energy targets for the next five year legislation period, starting in 2013 after parliamentary elections. Targets should be accompanied by measures resulting from the Green Electricity Act, the Energy Efficiency Act, the Climate Protection law and the Electricity law.

POLICY RECOMMENDATIONS



ELECTRICITY SECTOR

Avoid “stop and go support policy” which harms investor confidence. A better implementation of the “first come, first served” principle is essential to a successful “feed-in tariff” system.

Cancel grid loss fees for producers, as these fees discriminate large domestic RES producers. Grid loss fees were formerly financed by taxes. Since these costs were not foreseen during the project planning, they can lead to considerable financing issues. This barrier could soon be removed with the adoption of a new regulation in 2013, which could lower grid costs for RES producers.



HEATING AND COOLING SECTOR

Streamline incentives/financial subsidies to raise refurbishment quotas. The low refurbishment quotas and the fact that the installation of renewable energy technologies is not compulsory to receive housing aid explain the slow development of RES in the housing sector.

Impose efficiency criteria to existing heating systems. Minimum efficiency criteria for renewable energy installations in households are needed. Currently, such criteria are being debated in an on-going discussion surrounding amendments to the Climate Protection Act as well as the new Energy Efficiency Act.

Fund agricultural biomass plants. There are no more funds available today to support agricultural biomass heating plants. According to the Austrian Biomass Association (ÖBMV - Österreichischer Biomasseverband), the installation

of such plants can not be promoted at the moment. The allocation of funding is also uncertain in the coming years due to the Austrian federal political system. If the Austrian federal states do not agree to co-finance the incentives, support from federal funds will not be granted.



TRANSPORT SECTOR

Implement a national action plan for electro-mobility: There is currently no binding national action plan for the implementation of electro-mobility in Austria. According to the Federal Environment Agency, a roadmap has been elaborated by three Austrian federal ministries for the promotion of electro-mobility. In addition, the Austrian Energy Strategy foresees up to 250,000 electric vehicles by 2020 (a goal which seems optimistic, bearing in mind that Austria has about 8.4 million inhabitants); the implementation of concrete measures to foster electro-mobility are still pending.

The price difference between vegetable oil and diesel is not sufficient to enable an economically sustainable advantage. Additionally, the high quality requirements for the purification of vegetable oil has allegedly led to rising costs which are further exacerbated by the double fuel storage costs (vegetable oil plus diesel).



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