



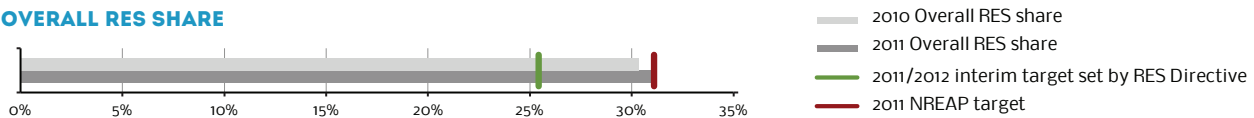
# Is Austria ON TRACK?

- Austria has achieved the interim target 2011/2012, but is slightly behind on the NREAP 2011 target due to a negative deviation in the electricity sector share.
- Compared to the prior six year average, growth was slower between 2010 and 2011. The transport sector even experienced negative growth.
- Growth rates are sufficient to achieve the 2020 target for RES overall and in the heat sector. In the electricity and transport sectors, growth needs to accelerate in order to achieve the 2020 target.

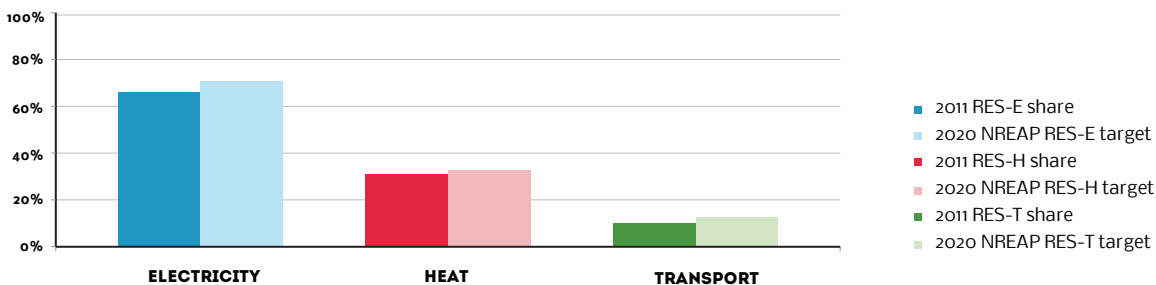
**Source:** Fraunhofer ISI (based on Eurostat and other sources)

To access more detailed information on the deviations of each EU Member State from its indicative trajectory, please visit the Keep on Track! website - [www.keepontrack.eu](http://www.keepontrack.eu) - and read the Analysis of Deviations and Barriers Report.

## OVERALL RES SHARE



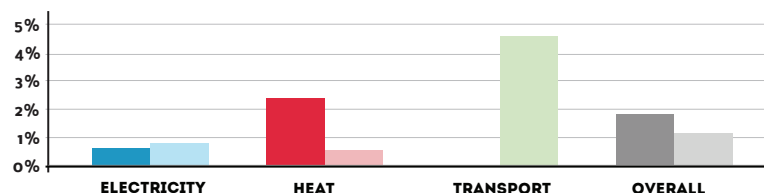
## 2011 RES SHARE COMPARED TO 2020 TARGET IN SECTORAL GROSS FINAL ENERGY DEMAND



	ELECTRICITY	HEAT	TRANSPORT	TOTAL
2011 actual share of RES in sectoral gross final energy demand	66.1%	31.1%	7.6%	30.9%
2011 NREAP target	69.8%	30.6%	6.9%	31.1%
2011/2012 interim target set by RES Directive	-	-	-	25.4%
2020 NREAP target	70.6%	32.6%	11.4%	34.2%
Percentage of sector consumption in total final energy consumption in 2011	22%	48%	30%	100%
2011 Production [ktoe]	3,997	4,147	583	8,728
2010 Production [ktoe]	3,967	4,361	600	8,928
2005 Production [ktoe]	3,491	3,193	0	6,684
2020 NREAP target production [ktoe]	4,503	4,179	856	9,266
Deviation [%] of actual from planned share in 2011	-5.33%	1.56%	9.61%	-0.54%

## 2010-2011 RES GROWTH RATES VS. AVERAGE ANNUAL GROWTH RATES REQUIRED TO MEET THE 2020 TARGET

- Electricity 2010-2011
- Electricity 2011-2020
- Heat 2010-2011
- Heat 2011-2020
- Transport 2010-2011
- Transport 2011-2020
- Overall 2010-2011
- Overall 2011-2020










## BARRIERS to RES deployment

### ELECTRICITY

BARRIER	DESCRIPTION	SEVERITY AND SPREAD
<b>SUBSIDY SYSTEM</b>	Restricted yearly volume for RES subsidies, reducing trust in RES market for companies and RES investors.	
<b>DISCRIMINATION OF RES PRODUCERS</b>	Net grid service fees apply only to domestic RES producers hindering the development of RES and slowing down concrete project implementation.	
<b>LINE ENTRY OF RES INTO THE GAS GRID</b>	High tariffs for accessing and feeding in bio-methane to the existing gas grid. No special RES targets for the gas grid and no guaranteed access of RES into the gas grid.	
<b>ADMINISTRATIVE PROCEDURES</b>	Administrative procedures for subsidies are often delayed, which affects the project planning. The new PV subsidy structure will lead to more complicated project administration.	
<b>WATER FRAMEWORK DIRECTIVE</b>	The implementation of the EU water framework directive can cause some difficulties for the development of hydropower (e.g. expertise in approval process and strict ecological requirements to fulfil).	

### HEATING AND COOLING

BARRIER	DESCRIPTION	SEVERITY AND SPREAD
<b>REFURBISHMENT QUOTAS</b>	Low refurbishment quotas hinder the development of RES-H&C especially in existing buildings. This affects mostly bio-energy and solar thermal energy.	
<b>EFFICIENCY CRITERIA FOR HEATING SYSTEMS</b>	To replace existing heating systems with new RES-H&C systems, efficiency criteria are needed. These are discussed within the climate protection law and the energy efficiency law.	
<b>ENERGY PERFORMANCE CERTIFICATES (EPC)</b>	No obligation of Energy Performance Certificates to conduct measures to improve energy efficiency in buildings. No harmonisation of technical regulation for buildings between the federal states.	
<b>NO COMMITMENT FOR SOLAR THERMAL</b>	Conventional systems are only used to produce warm water which is highly inefficient. A national commitment to use solar thermal energy should be implemented.	
<b>FUNDS FOR AGRICULTURAL BIOMASS</b>	The installation of agricultural biomass plants will not be promoted until 2014, hindering the construction of new biomass plants.	

BARRIER	DESCRIPTION	SEVERITY AND SPREAD
 <b>BIOFUEL TARGETS</b>	Austria has reached the 2010 EU targets of 5.75% for renewable energy in transport. Meeting the 10% target by 2020 would be possible in a sustainable way.	 <p>The grid shows severity on the y-axis (1-5) and spread on the x-axis (1-5). Markers are placed at (5,5) in green, (4,4) in purple, and (4,5) in blue.</p>
 <b>NO ACTION PLAN FOR ELECTRO-MOBILITY</b>	Switch to electro-mobility in Austria would lead to a higher use of RES in the transport sector because electricity in Austria is mostly produced from hydropower.	
 <b>NO LONG-TERM TAX BENEFITS FOR VEGETABLE OIL</b>	Lack of financial incentives for conversion of diesel engines to vegetable oil. Because of market conditions, the price difference between diesel and vegetable oil is not sufficient to achieve a sustainable economic advantage.	
 <b>ADDITIONAL CARBON CHARGE</b>	The additional carbon charge on plant oil (ILUC), planned for 2013, will impede meeting CO2 emissions reduction target.	

**Severity:** 1 - almost negligible effects, 2 - minor effects, 3 - moderate effects, 4 - substantial effects, 5 - severe effects

**Spread:** 1 - impacts sporadic installations, 2 - affects a small fraction, 3 - affects a moderate share, 4 - affects a predominant share, 5 - concerns almost all installations

## KEY TRENDS IN THE RES SECTOR

- After years of non-ambitious RES policy, the new Green Electricity Act, implemented in 2012 will be a key driver for faster growth in the RES-E sector.
- Regarding the heating sector, Austria has a favourable starting position with a share of more than 30%. The long-term strategy is to reduce its heat demand and raise refurbishment quotas to 3% a year. The Austrian renewable energy association (EEÖ) expects positive measures in this sector linked to the Climate Protection Act and the Energy Efficiency Act published in Austria this year.
- As the RES share in transport is relatively high, Austria easily fulfils the EU 2010 biofuels target (5.75%). However, further developments are made more difficult due to the suspension by the Government in September 2012 of the introduction of E10.
- EEÖ supports the implementation of more ambitious renewable energy 2020 targets and further targets for 2030 in the following legislative period which begins at the end of 2013.

## POLICY RECOMMENDATIONS

### **ELECTRICITY SECTOR**

- Avoid “stop and go support policy” scaring off possible investors. Contract assignments should be better managed to prevent a backlog of submitted projects (“first come, first served”).
- Cancel grid loss fees for producers. Since these costs were not foreseen during the implementation of the projects, they can lead to considerable financing issues and discriminate large domestic renewable energy producers on the Austrian energy trading market.

### **HEATING AND COOLING**

- Implement direct incentives/financial subsidies to raise refurbishment quotas. Low refurbishment quotas explain the slow RES development in the housing sector, especially for bio-energy and solar thermal energy.
- Introduce efficiency criteria for the refurbishment of existing heating systems. The introduction of minimum efficiency criteria for RES installations in households is needed.

### **TRANSPORT SECTOR**

- Agree among Austrian federal states to co-finance agricultural biomass plants. Subsidies to support agricultural biomass heating plants are delayed as the Austria federal states have not agreed to co-finance the incentives. Hence, support from federal funds will not be granted before 2014.
- There should be a national action plan for the implementation of electro-mobility in Austria.
- Introduce tax concessions for vegetable oil.



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