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Electricity Tax Law: Elektrizitätsabgabegesetz'

Tax exemptions are available to electricity producers that produce electricity exclusively for their own use, if production does not exceed 5,000 kWh.

Effective date: 1996, modified 2000

Environmental Protection Law

Since the original EIWOG scheme of feed-in-tariffs only affected production of electricity, this policy provides investment grants for the heat producing part of CHP plant. Incentives for electricity production are granted only if a plant exceeds state of the art technology. Incentives are granted at between 10% and 30% of eligible costs depending on the type of investment with the objective of stimulating innovative technology.

Effective Date: 1993, modified 2002

Federal Environment Fund

The Federal Environment Fund is enabled to fund environment projects. In 2000, 70% of the funding was dedicated to projects with direct implications for GHG emissions, and that share will be extended. Over the past years, funding has focused on biomass and biogas district heating, entrepreneurial biomass central heating systems, solar panels and energy efficiency measures, small hydro and wind power stations and thermal renovation of entrepreneurial buildings. Since the Austrian Electricity Law stipulates that feed-in tariffs have to be set at figures that make the production of electricity from renewable sources competitive, the Federal Ministry of Environment is planning to phase out subsidies for those technologies.

Funding: €47 million in 2002

Effective date: 2001

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Grants for Renewable Project Investment

Federal grants and incentives for renewable energy producers such as firms, associations and public entities are administered primarily by the Kommunalkredit. These federal grants typically constitute 30% of eligible costs and are granted to entrepreneurs investing in small hydro plants, modern biomass-based heating systems which include small networks for district heating, biogas, sewage gas, geothermal systems, heat pumps, solar thermal above 10 m², photovoltaic and wind installations. These grants can also be combined with financial support from the Länder to cover 66% of costs.

Effective date: 1994

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Green Electricity Act

In 2002, the National Council and Federal Council passed the Green Electricity Act. The Green Electricity Act governs the aid for green energy and combined heat and power generation throughout the country. Through this act, the former wide range of fees between states was replaced with a uniform fee for power generated by combined heat and power plants, renewable sources and small hydro power plants.

The Act guarantees payment of feed-in tariffs for thirteen years at the following rates (per kWh):

- Small hydro power, depending upon the amount of electricity fed into the grid: from €0.0315 to €0.0568 for existing plants, from €0.0331 to €0.0596 for refurbished plants, from €0.0378 to €0.0625 for new plants.
- PV: €0.47 for plants > 20 kW peak, €0.60 for plants < 20 kW peak (up to a Austrian-wide total capacity of 15 MW)
- Wind: €0.078 for new plants.
- Geothermal: €0.07.
- Wood chips: €0.102 to €0.16.
- Waste with high bio-share: €0.027 to €0.128.
- Co-firing in fossil fuel plants: €0.03 to €0.065.
- Biofuels: €0.1 for plants > 200 kW, €0.13 for plants < 200 kW.

- Biogas: €0.0725 to €0.165.
- Landfill gas: €0.03 for plants > 1 MW, €0.06 for plants < 1 MW.

Funding: €275 million per year

Effective date: January 2003

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More information: <http://www.e-control.at>

Promotion Instrument for Electricity from Renewables (PIER)

The Promotion Instrument for Electricity from Renewables (PIER) provides both a capital subsidy and a guaranteed tariff for renewable electricity fed into the grid and RD&D measures as incentives for renewable electricity generation. Projects are selected through a public competitive tender procedure where subsidies are awarded based on lowest capital cost for each technology type. The capital subsidies are capped at 7% rate of return for fifteen years. In addition, electricity from these systems benefits from a guaranteed market at a guaranteed buy-back rate for fifteen years. Capital subsidies of 8% are available for the construction, restoration or enlargement of small (0.5-10 MW) hydro systems, and subsidies of up to 25% are available for micro hydro (< 0.5 MW) systems that are both remote and environmentally friendly.

Effective Date: 1997

In Austria a number of incentives are administered by the states. These are explored briefly below.

Lower Austria – Loans for fuel switching

Manufacturing firms investing in projects which replace fossil fuels with renewable sources of energy are eligible for interest grants, at rates up to 6% for voluntary measures and 4% for mandatory. The maximum loan amount covered is ATS 8 million (about € 600,000) over a term of 10 years.

Salzburg – Grants for solar projects

Solar projects qualify for a one-time grant of ATS 5,000 (€363) plus ATS 1,500 (€109) per square meter of solar panel. For heat pumps there is a second subsidy scheme of the local energy utilities: maximum 10 kW per installation; 5 years operating guarantee; non-refundable grant of ATS 2,400 (€174) per kW.

Tyrol – Incentives for renewables

In Tyrol, solar thermal and solar PV projects qualify for grants of 20% of the investment cost, up to ATS 100,000 (€7,627) per year.

There is also a more generalized interest grant in Tyrol covering “the prudent use of resources” and the “efficient use of energy.” The amount of the corresponding loan must be between ATS 2 and 10 million (about €150,000 to €725,000). The interest grant runs for 5 years and ranges from 2 to 4 percent.

Vienna – grants for solar

Solar thermal and solar PV projects are eligible for one-time grants. For businesses, solar thermal projects can qualify for grants of 20% of their cost, up to ATS 100,000 (€7,300). Photovoltaics can receive grants of 20% of cost, with a cap of ATS 30,000 (€2,200).
