

LUXEMBOURG

Advantageous loans from Société Nationale du Crédit à l'Investissement.

The state is granting advantageous loans to the industrial sector for investment in renewable energy and other environmental equipment. The capital of the applicant should not exceed € 4.9 million. Loans can cover between 25% and 60% of the eligible investment cost.

The interest rate is fixed at 3%. In general, loans are granted for a maximum of ten years, but in some cases may be extended to fourteen. The maximum amount per project is 50 million LUF (€ 1.22 million), and the minimum investment is 500,000 LUF (€ 12,261).

Effective date: 1948

Feed-in tariffs (Framework law of 5 August 1993)

Sets feed-in tariffs, paid by the public utility CEGEDEL and local distributors. Tariff rates are differentiated according to size:

- Wind, biomass and PV less than 500 kW, and CHP less than 150 kW = 10 ct/kWh
 - Wind, biomass and PV 500-1500 kW, and CHP 150-1500 kW = 5.8 ct/kWh (day), 3 ct/kWh (night)
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Flexible Depreciation

The objective of this policy is to stimulate the investment in the protection of the environment and energy savings in businesses. It provides accelerated depreciation for income taxes, up to 60% of the investment costs. However, there is conflicting information as to whether or not this incentive is still in effect.

Effective date: 1989

Grand Ducal regulation from 28 December 2001

Provides support in the form of bonuses for the production of renewable electricity. The level of support is dependent upon the system used, with PV receiving the largest bonus. PV systems are supported for 20 years, while biofuels, biomass, biogas, hydro, and wind are supported for 10 years.

Effective date: December 2001

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PV Subsidies

PV installations are eligible for a one-time grant, with the amount depending on the size of the installation. Systems smaller than 4 kW receive 50% of the effective expenditure with a maximum of € 4,000/kW. Installations between 4 and 50 kW receive between € 400 and 655/kW.

Effective date: 2004

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More information:

http://www.environnement.public.lu/energies_renouvelables/dossiers/adaptations_subventions_aout_2004.html

Skeleton law 27-7-1993 and Grand Ducal regulation from 5-8-1993 concerning economic development and diversification

The aim of the law is to stimulate economic development and supports the creation of renewable energy projects, among other undertakings. The competent ministers can allocate financial support up to 25% of the investment. The support can be raised by 5% in case of an investment in one of three defined geographical zones.

Effective date: July 1993
