

# **Report in accordance with Articles 6(3) and 10(2) of Directive 2004/8/EC Austria**

## **1. Transposition/implementation of the legal text of Directive 2004/8/EC**

**Question 1:** What is the level of transposition of the Directive in your country? What is the timeline for the remaining parts of the transposition of the Directive, if any?

The Directive has been fully transposed. The corresponding provisions are set out in the Electricity Industry and Organisation Act (Elektrizitätswirtschafts- und -organisationsgesetz, ElWOG), the Green Electricity Act (Ökostromgesetz) and the Cogeneration Act (KWKG-Gesetz). The Commission has been duly notified of these Acts. The Cogeneration Act and the Green Electricity Act make provision for cogeneration support schemes approved by the Commission.

**Question 2:** What is the timeline for implementing measures based on the Commission Decision of 19 November 2008 establishing detailed guidelines? Please indicate how this has taken place (revision of a general energy law, a specific law, decree, regulation, etc.).

The national provisions are broadly consistent with the guidelines under Commission Decision 2008/952/EC of 19 November 2008 and are also taken into account in specific cases, particularly in support measures. An amendment to the Cogeneration Act is currently being prepared and will be implemented in spring 2012.

**Question 3:** To what extent do you consider your country to have already significantly implemented the Directive?

Directive 2004/8/EC has been fully transposed. Support schemes and a system of guarantees of origin have been created for both existing and new cogeneration installations.

**Question 4:** Is your country using the alternative calculation method according to Article 12(2)?

No.

**Question 5:** Is there any need for your country to review in accordance with Article 13 the threshold values used for calculation of electricity from cogeneration and/or the threshold values used for calculation of efficiency of cogeneration production and primary energy savings?

No.

## **2. National potential to increase the share of high-efficiency cogeneration**

**Question 6:** Can your country already show progress in high-efficiency cogeneration since the last report on national potential which can be ascribed to either EU or national legislation and support schemes?

**Question 7:** What is your evaluation of the progress towards increasing the share of high-efficiency cogeneration in your country? Your assessment should be based on the specific figures to be included in the **attached spreadsheet (Excel file)** designed to facilitate the submission of your data.

**Answer:** The regulatory authority's latest monitoring report on security of supply describes plans to build thermal power stations with a capacity of approx. 1 700 MW in Austria by 2018. All the proposed projects use cogeneration plants. Most of the planned stations will be located close to towns with district heating

requirements. Some of these plants have received support in the form of investment subsidies under the Cogeneration Act.

It is impossible to comment on progress towards increasing the share of high-efficiency cogeneration in the case of small-scale and micro-cogeneration units, as the annual statistics only include power stations with a maximum capacity exceeding 1 MW.

### **3. Barriers to high-efficiency cogeneration**

**Question 8:** Please give your views on the current barriers to high-efficiency cogeneration in your country:

- a) barriers in relation to administrative procedures (authorisation, coordination among competent authorities, streamlined, simplified procedures, etc.);
- b) barriers in relation to electricity grid system and tariff issues (including specific measures for small scale and micro cogeneration units);
- c) other barriers (internalisation of external costs, energy prices, financial and technical barriers, etc.) in accordance with Articles 9 and 6 of Directive 2004/8/EC (the Cogeneration Directive).

Indicate the measures to overcome them.

#### **Answer to question 8a:**

The problematic aspect of the procedures for obtaining authority approval is not the administrative processes themselves but rather, as in all projects in the energy industry, the lack of public acceptance and the resulting lengthy procedures. Authorisation procedures for comparatively large projects are conducted as part of a comprehensive environmental impact assessment procedure. However, objections to the planned plants raised by local residents almost inevitably lead to high-level proceedings usually lasting several years. A solution to this problem has yet to be found.

**Answer to question 8b:** All production technologies are always connected to the electricity grid system in the same, non-discriminatory manner. In other words the same grid access conditions apply to cogeneration plants as to all

other production technologies. The Austrian regulator is not aware of any specific existing barriers to the connection of cogeneration installations to the electricity grid system.

**Answer to question 8c:**

There are no such explicit barriers. However, the fact that almost all large installations constructed are based on natural gas is problematic, as the profitability of investment is always determined by the difference between gas and electricity prices.

#### **4. Guarantees of origin and support schemes**

**Question 9:** Article 5 of the Directive requires Member States to ensure that accurate and reliable guarantees of origin are issued according to objective, transparent and non-discriminatory criteria. Please indicate what is the situation concerning the implementation of this measure in your country (information on primary energy savings, type of registration system).

**Answer:** Since 2003 the Austrian regulator has maintained a central electricity guarantee database in which both guarantees of origin of electricity produced from renewable energy and other national and international electricity guarantees can be electronically issued, administered and traded. This central electricity guarantee database is also linked to similar databases in other European countries, allowing electricity guarantees to be traded from country to country.

The electricity guarantee database was adapted at the start of this year in order in the future to allow guarantees of origin of electricity from high-efficiency cogeneration plants according to Article 5 of the Cogeneration Directive to be issued, administered and traded.

The issuing of guarantees of origin of electricity from high-efficiency cogeneration plants in Austria basically involves three stages:

1<sup>st</sup> stage: In accordance with Section 71 ElWOG 2010, the competent provincial government designates the cogeneration plants for which guarantees of origin of

electricity produced from high-efficiency cogeneration may be issued. The regulatory authority must be notified of the plants designated, which the plant operator can request to have registered in the electricity guarantee database.

2<sup>nd</sup> stage: System operators or the accredited/certified agencies whom they appoint calculate the quantity of electricity from high-efficiency cogeneration on the basis of harmonised reference efficiencies and report this figure and any other information required for the issuing of cogeneration guarantees of origin to the electricity guarantee database (generally on a monthly basis).

3<sup>rd</sup> stage: Cogeneration guarantees of origin, based on the data reported by the system operators or accredited/certified agencies, are issued from the electricity guarantee database each month and credited to the cogeneration plant operators. The cogeneration guarantees of origin include the following information:

- the amount of electrical energy generated from high-efficiency cogeneration;
- the name, type and maximum capacity of the production plant;
- the time and place of production;
- the fuels used;
- the lower calorific value of the fuel source;
- how the heat generated together with the electricity is used;
- the primary energy savings;
- the date on which the installation became operational;
- details of the type of support scheme;
- the name of the issuing authority and the issuing state;
- the date of issue of the cogeneration guarantee of origin.

**Question 10:** Does your country have support schemes for cogeneration/CHP based on Directive 2004/8/EC (operational and/or investment aid)? What kind of support is provided (feed-in tariffs, certificates and quota, priority access to the grid, etc.)? Are they designed to provide stable long-term investment conditions? Which sectors will be targeted (agricultural and/or industrial and/or heating cogeneration)?

There are two different support schemes under the Cogeneration Act:

- operational aid for existing cogeneration plants which received money between 2003 and 2010 in order to maintain operation;

- investment aid for new cogeneration plants for the 2007-2012 period (2014);

and one under the Green Electricity Act:

- investment aid for waste lye-based cogeneration plants (pulp/paper production) for the 2009-2012 period.

Although the support measures under the Cogeneration Act are not aimed at any specific sectors, 30 % of the available funds are reserved for industrial cogeneration plants. However, the Acts contain detailed guidelines on the use and amount of thermal energy generated, etc. The support measures for waste lye-based cogeneration are provided for the pulp and paper industry.

**Question 11:** How much money on a yearly basis has been provided in this way in the past years to the promotion of high-efficiency cogeneration in particular? And how much money is expected to be made available on a yearly basis to the promotion of high-efficiency cogeneration in the coming years?

Some EUR 350 million in operational aid under the Cogeneration Act was provided between 2003 and 2010. Roughly EUR 50 million of the total available investment subsidies under the Cogeneration Act (EUR 55 million) has so far been provided.

None of the EUR 10 million available under the Green Electricity Act to waste lye-based cogeneration plants has so far been provided.

### **Comments on the tables/evaluations:**

- Despite the footnotes, the descriptions provided of the tables leave some room for interpretation. For this reason a number of assumptions have been made in good faith. These assumptions are described in detail in the first table sheet entitled 'Remarks'. More detailed information would have been helpful, as otherwise there is a risk that the data provided by the Member States are based on a number of different assumptions and are therefore not comparable (e.g. Column I: 'Share of cogeneration in total electricity generation': Does the term 'share of cogeneration' refer only to electricity from high-efficiency cogeneration or to all electricity produced by cogeneration plants?).
- The calculation of the quantity of electricity produced by the cogeneration plants concerned from high-efficiency cogeneration took account of the reference efficiencies and correction values (grid loss and temperature) in accordance with the guidelines provided. The average temperature in Vienna was used for all of Austria. The grid loss correction was based on the assumption that all the power stations supply 50-100 kV at grid level.
- The calculation of the annual avoided CO<sub>2</sub> emissions is based on the total annual primary energy savings of all the cogeneration plants concerned and a weighted emission factor across all fuels as set out in the latest Environment Agency Austria report.
- The assignment of values to various types of power station and sectors (Sheets 2 and 3) was possible only for types and sectors for which statistics are available in Austria.
- The assignment of the reference efficiency values essentially involved assigning each cogeneration plant to an energy source. Where such assignment was not clearly possible, the procedure laid down in Article 5 of the Commission Decision (harmonised efficiency reference values) was followed.

As such a large number of assumptions have been made, it is recommended that the figures provided be checked prior to publication or further use to confirm that the assumptions are correct.