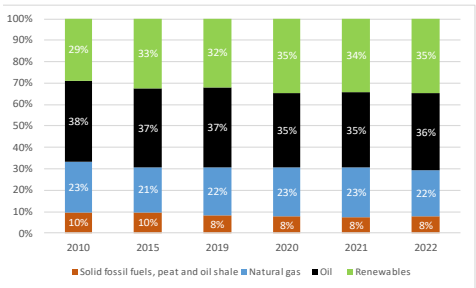
REPowerEU Two Years on_Austria

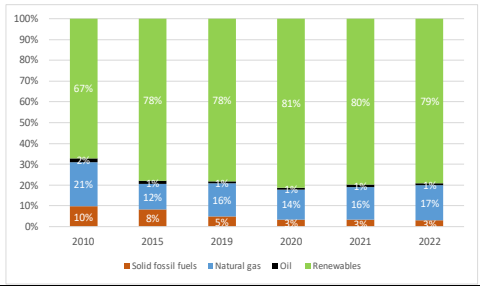
Key energy figures

Graph 1: **Energy mix**



Source: Eurostat

Graph 2: **Electricity mix**



Source: Eurostat

Save energy

1. KEY ENERGY SAVINGS MEASURES

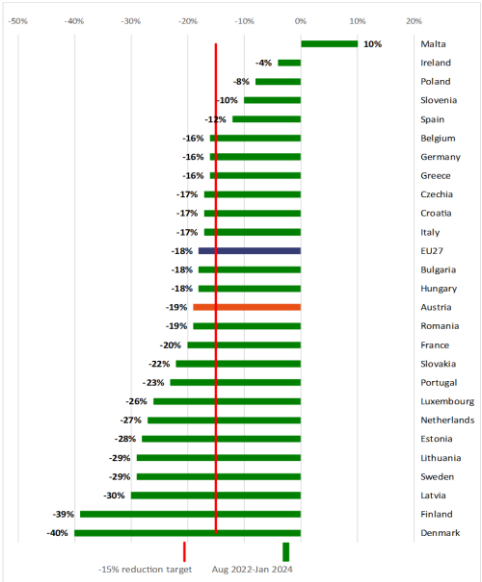
Austria is implementing energy efficiency measures to contribute to energy security further, such as:

- **Energy efficiency law** for renovation of buildings, energy audit and energy management obligation and other strategic energy efficiency measures, which aims to reduce final energy consumption (equalling to 27.8 Mtoe in 2021) by 18% by 2030.
- Austria **implemented energy efficiency measures** to contribute to energy security and **were targeted mainly to households, the industry, and the public sector**.
- The **prescribed measures were diverse** in nature and went from gas savings campaigns, setting binding goals for the public sector, introducing incentives for households, companies, municipalities, and associations, and supporting fuel switching for industry as well as diversification of natural gas purchases and energy efficiency improvement measures.

2. GAS DEMAND REDUCTION

Austria has reduced its gas consumption by **19%** in the period **August 2022 – January 2024**, above the decrease achieved at EU level (18%) and the 15% voluntary gas demand reduction agreed at the EU level [(1)].

Graph 3: **Natural gas demand reduction (August 2022 – January 2024)**



(1) Cyprus does not use natural gas
Source: Eurostat, DG ENER calculations

(1) Council Regulation (EU) 2023/706 of 30 March 2023, amending Regulation (EU) 2022/1369

Diversify energy supplies

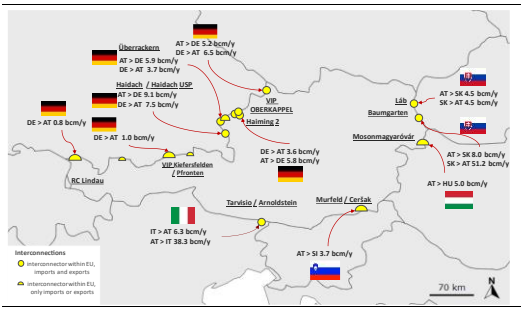
1. KEY ACTIONS

To ensure energy security of supply, Austria aims to reduce its current import dependencies, in particular on Russian gas, through trustful partnerships, such as increasing import capacity from neighbouring countries like Germany and Italy.

2. GAS INFRASTRUCTURE DEVELOPMENTS

Austria still imports gas from Russia (in December 2023 the Russian gas import share was 98%), although volumes were reduced following Russia's invasion of Ukraine (from 100 basis points in February 2022 to 65 in December 2023)[2]. Dependency fluctuated throughout 2023 based on factors such as low electricity generation from gas during fall due to a high share of renewable energy generation, lower gas consumption and full gas storage facilities.

Map 1: **Cross-border gas infrastructure**



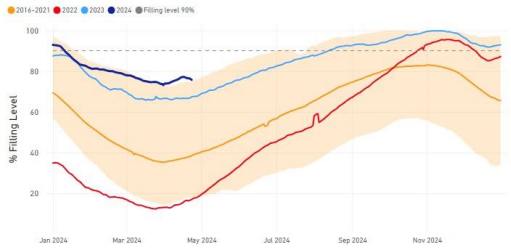
Source: European Commission map recreation (based on ENTSO- G)

3. GAS STORAGE

Austria operates **9 underground storage facilities** with a total capacity of around 9.16 bcm, more than covering all domestic demand (112%).

Austria fulfilled its gas storage obligations last winter, reaching 99.5% by 1 November 2023[3], and ended the winter season with a storage filled at 73.85% by 1 April 2024.

Graph 4: **Storage levels in Austria**



Source: JRC calculation based on AGSI+ Transparency Platform, 2024

Energy platform

- In the **four EU tenders** for joint gas purchase organised **under AggregateEU in 2023**, 113 companies across the EU expressed gas demand of over 54 bcm. 48 suppliers replied with bids of more than 61 bcm, resulting in **over 42 bcm of demand matched**.
- In the **first mid-term tender of 2024**, 19 companies expressed 34 bcm of gas demand for the next 5 years, with **97.4 bcm offered by suppliers**.
- According to the indicative data obtained through AggregateEU, companies from **Austria** aggregated gas demand of **2.35 bcm** in 2023 under the EU Energy Platform. This represents the equivalent of 28.70% of the country's yearly gas consumption.

Produce clean energy

1. INSTALLED RENEWABLE ELECTRICITY CAPACITY, IN WIND AND SOLAR

In **2023**, Austria installed around 3.2 GW of renewable electricity capacity, bringing the total to **26.7 GW** (vs. 22.1 GW in 2021).

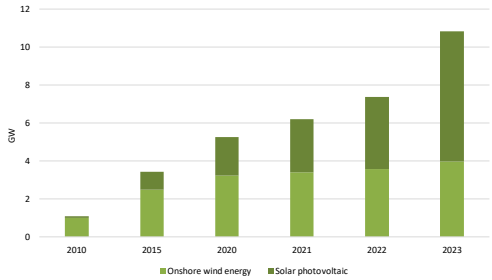
In **2023**, the annual growth rate of installed renewables power capacity rose to **13.7%** compared to 4.5% in 2021[4].

[2] energie.gv.at/

[3] Regulation (EU) 2022/1032 of the European Parliament and of the Council of 29 June 2022 amending Regulations (EU) 2017/1938 and (EC) No 715/2009 with regard to gas storage.

[4] International Renewable Energy Agency (2024). Renewable capacity statistics 2024.

Graph 5: **Installed solar and wind power capacity (in GW)**



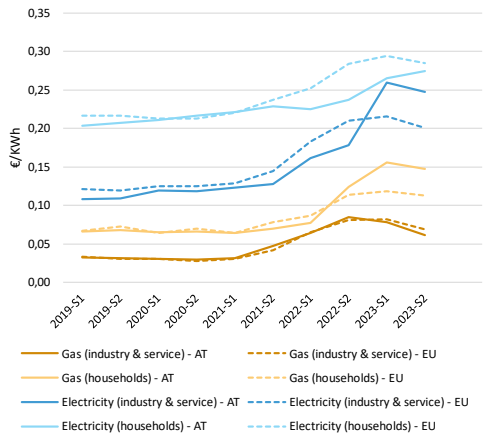
(1) The renewable power capacity data reflects the capacity installed and connected at the end of the calendar year.
(2) In 2023, Austria installed 0.4 GW of wind power capacity (vs. 0.2 GW in 2021).
(3) In 2023, Austria installed 3 GW of solar photovoltaic capacity (vs. 0.7GW in 2021).
Source: IRENA, Renewable capacity statistics, 2024

2. ELECTRICITY INFRASTRUCTURE DEPLOYMENT

Continued efforts for capacity expansion in Austria's cross-border as well as its domestic electricity network remain necessary to 2030 and beyond. Austria expects 18GW of additional renewable energy capacity to be installed by 2030 [5], requiring its integration into the electricity transmission and distribution system. There are electricity infrastructure projects in Austria which will be important to implement in an accelerated manner, included in the new list of Projects of Common Interest (PCI) and Projects of Mutual Interest (PMI). These are the Kaunertal Storage Extension Project, interconnections and Austrian internal lines in the Austria-Germany cluster, Interconnector between Würmlach (AT) - Somplago (IT), and the Interconnector between Lienz (AT) - Veneto region (IT). The implementation of the priorities defined in the recently endorsed CESEC Electricity and Renewable Energy Action Plan and the CESEC Action Plan on Gases will be crucial for accelerated infrastructure development and market integration.

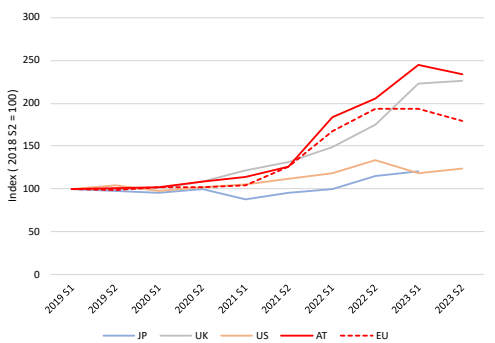
Energy price developments

Graph 6: **Austria's energy retail prices for households and industry & service**



(1) For industry, consumption bands are I3 for gas and IC for electricity, which refer to medium-sized consumers and provide an insight into affordability
(2) For households, the consumption bands are D2 for gas and DC for electricity
(3) Industry prices are shown without VAT and other recoverable taxes/levies/fees as non-household consumers are usually able to recover VAT and some other taxes
Source: Eurostat

Graph 7: **Trends in electricity prices for non-household consumers (EU and foreign partners)**



(1) For Eurostat data (EU and AT), the band consumption is ID referring to large-sized consumers with an annual consumption of between 2 000 MWh and 20 000 MWh, such as in electricity intensive manufacturing sectors, and gives an insight into international competitiveness
(2) JP = Japan
Source: Eurostat, IEA

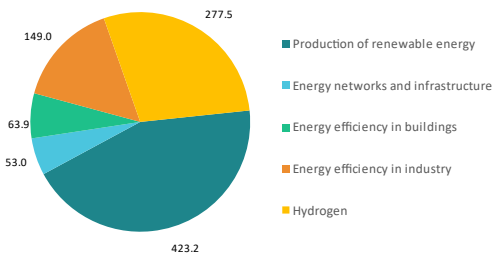
[5] APG Network Development Plan 2023, https://www.apg.at/en/power-grid/grid-expansion/network-development-plan-2023/.

Smartly combine investments and reforms in the RRP

Amended Recovery and Resilience Plan (RRP), including a REPowerEU chapter:

- Approved by Council on 9 November 2023
- Total amount: EUR 4 billion
- Amount allocated for energy: EUR 0.97 billion
- Climate tagging: RRP: 56 %; REPowerEU chapter: 100 %

Graph 8: **Energy-related investments in the RRP (in EUR million)**



Source: European Commission

Tangible results: reforms & investments

- **Renewables and hydrogen:** the reform on Renewables Expansion Law sets a target to deliver at least 1 300 MW of additional renewable electricity generation capacity and to install 90 MW of hydrogen production capacity from renewable sources. Under REPowerEU, permitting procedures for renewables will be accelerated; up to 35 300 projects of photovoltaic systems will be subsidised and a national hydrogen platform established.
- **Energy efficiency in buildings:** combating energy poverty supporting the thermal renovation of 1079 dwellings, at least 375 projects for the connection to high-efficiency district heating and at least 15 roof and façade greening projects.
- **Energy efficiency in industry:** support to at least 500 companies thermal renovation; to at least 13 476 companies for solar energy and electricity storage and to at least 800 companies for investments in energy savings.
- **Energy efficiency in public sites:** support to at least 34 thermal renovation projects of companies and municipalities in town centres.

Highlights of the National Energy and Climate Plan

- Austria did not submit a **draft updated NECP** to the European Commission, despite the requirement to do so by 30 June 2023, in line with the article 14 of the Governance Regulation.
- Member States are due to submit their **final updated NECP by 30 June 2024**, taking into account the Commission recommendations.
- For more information see the dedicated webpage of the European Commission on the NECPs.

Strengthening competitiveness with the Net Zero Industry Act

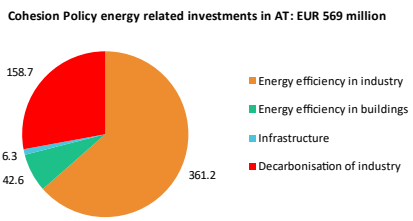
Austria has a significant footprint in the solar industry and in the supply chain for battery manufacturing, with great potential for increasing capacity further. There are at least six manufacturers of PV modules operational in Austria, with an estimated manufacturing capacity close to 1 GW per year. Three of them specialise in flexible photovoltaic modules for building envelopes, devices and vehicles. Austria is also among the leading inverter manufacturers in the EU. On wind, few Austrian companies are cooperating in the production of key wind turbine components such as transformers or main bearings for the global original equipment manufacturers. Regarding energy storage systems, Austria holds a strong position in redox flow batteries, being in the global top three, together with Japan and the US. This sector has great potential for lithium-ion technologies. In Wolfurt, there is a lithium-ion battery producer involved in pioneering energy storage systems utilising recycled lithium-ion EV batteries. The company plans to increase its production capacity to reach 1 GWh annually. Regarding electrolysers, Austria does not have manufacturing capacity per se but was granted in July 2022 EU funding under the framework for Important Projects of Common European Interest for the world's first 1 MW high-temperature solid oxide electrolyser based on metal-supported cells (MSCs).

Other EU initiatives

Cohesion Policy provides significant support to REPowerEU in all EU MS, with a total of EUR 89 billion worth of investments focusing on regions most in need in the energy transition.

Most resources concentrate on energy efficiency in the buildings sector (i.e. 720 000 dwellings across the EU will be renovated and public buildings will decrease their energy consumption by 6000 GWh/year) and on energy infrastructure (i.e. 4.9 GWh of additional electricity storage deployed), followed by renewables (e.g. 9.5 GW of additional renewable energy capacities installed).

Graph 9: **2021-2027 energy-related investments in the Cohesion Funds supporting REPowerEU**



Source: Cohesion Open Data[6]

(6) https://cohesiondata.ec.europa.eu/d/hgvj-gvin