

Austria: Direct Grants and Housing Subsidies

Timeframe: 2003 – present

Overall picture:

- **Direct Grants:** Promote solar plants and solar water heaters in single-family homes (6 – 36% of total investment cost, with additional municipal support of 10 – 50 % state subsidies.
- **General Housing Subsidy:** €3 billion/year → **Critical control instrument** of Austrian building quality. Mandated by the National Government, provincial governments are mandated to align housing grants and subsidies with national climate goals for both new builds and renovation
- → Controls heating system selection, increasing **energy efficiency** and **solar system uptake**
- **Do-it-yourself groups:** Build, distribute and install solar water heaters
- Increase dissemination and confidence in solar water heater market
- Price decreases due technology investment due to competition.

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Impact:

- Demand for solar thermal technology **leads the continental states**
 - Operational capacity = **273 kWth/1000 inhabitants.**
 - Cumulative surface area of solar collectors = **2.6 mn m² (1st by installed area/capita).**
- **30%** of solar heaters are equipped with self-made collectors.

Policy Success Factors:

- Energy Taxes Introduced in 1996 on domestic and industrial gas and electricity consumers improved the cost-effectiveness of carbon-free energy sources, and are partially recycled to support renewable energy programs.
- Market Development for Solar Water Heaters
 - self-build activity and competition among manufacturers  **quality (<10yr) and price.**
- Public Acceptance and Trust developed through campaigns covering performance and costs of solar systems and solar water heaters.

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Lessons learned:

- Economic factors determine investment in solar water heaters
 - Installation and maintenance costs, cost of conventional water heaters, current and project fossil fuel energy prices, financing methods and availability of loans at affordable rates
- Large-scale subsidies and grants
 - To mediate the costs and associated risks for performance reliability, whilst also meeting the needs of low-income and vulnerable populations.