Energy Policy Review Questionnaire

Austria 2025

International Energy Agency

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Questionnaire overview

This questionnaire supports the Energy Policy Review process. Energy Policy Reviews examine energy policy across all sectors and provide a targeted set of energy policy recommendations with a focus on a few priority areas decided in collaboration with the government.

The purpose of this questionnaire is to provide clear insights on the status of energy policy, planned policy changes, and the challenges and opportunities the country under review is facing in the energy sector. The responses given in this questionnaire will support the review team in preparing for the review visit and will provide the IEA with the inputs needed to develop the review report. A clear and detailed questionnaire response will support the review team and the IEA in providing valuable and relevant energy policy recommendations.

Priority Areas

The IEA asks the government to suggest two to three priority areas to be covered in more detail during the review. Priority areas make the review more focused on key energy sector challenges and opportunities, and help the IEA organise a review team with the right expertise. The priority area section is an essential part of the questionnaire.

Guidelines for completing the questionnaire

Please read all questions thoroughly and provide detailed answers in English in this document. Please type your answers in the response area following each question. As a supplement to your answers, you may include external sources with a clear reference. Please note that a link or reference to other sources should not substitute for a detailed answer to each question. Please do not change the formatting or layout of the questionnaire. Please email the completed questionnaire, including any accompanying attachments, to the country analysts responsible for this review. As needed, country analysts may request clarifications or additional information.

Please provide additional descriptions as needed to give the most accurate and recent information. Clearly state the objectives of all policies, regulations and other measures to give a clear understanding of the intent. Please include information on the status of policy implementation (e.g., planned or passed into law) and the relevant dates to provide a clear chronology of policy developments.

Contacts and Deadlines

Please email the completed questionnaire to the country analysts indicated below **no later than Monday, 25 August 2025.**

The country analysts are available to address any questions regarding the questionnaire or review process.

Country analyst for the Energy Policy Review:
Elena Merle-Beral (elena.merle-beral@iea.org)

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The IEA Secretariat thanks you in advance for your collaboration and input!

1. General Energy and Energy-Related Climate Policy

Please provide national energy strategy/policy document(s), including those under consideration, or relevant policy documents outlining key energy policies, in English if available. Provide internet links to these documents in your response below or send these files as attachments when emailing the completed questionnaire.

1.1 Institutional overview

- *Provide a list of the major institutions working on energy, climate change and relevant environmental policy in the country, with a focus on relevant stakeholders to meet during the review visits, including ministries, agencies, industries and other organisations.*
- *Describe how responsibilities are split between central and regional governments and between public and private organisations.*

1.2 Energy policy overview

- *Describe the key energy and energy-related climate policies in your country including official targets through 2030-2050.*
- *Provide an overview of the role for efficiency, electrification, biofuels, hydrogen and other new fuels, and CCUS in the energy transition. Highlight specific projects that can be of importance for the review.*

There has been a significant change in Biogas production from agricultural energy crops to agricultural residues like farm fertiliser, straw and intermediate crops as wells as to organic waste. Additionally, there was a strong improvement in efficiency.

In 2017 constructive discussions started about the future role of different renewable energies due to the plan to set up a new renewable energy support system. Within this process it became clear that Austria is successful in the expansion of renewable electricity, but has a very strong lack on changing the gas system to renewables, although the gas system provided 50 % more energy to consumers than the electricity grid so far. Additionally, the gas system in Austria can provide a storage capacity which covers the annual demand for gas. Moreover, the transport capacity of the transmission network is about 10-fold compared to the electricity transmission grid. Therefore, within discussions with the responsible ministry and politicians it became clear that there is a need for a support system for renewable gases and that the biogas support system should be partly switched from CHP to biomethane and gas grid injection.
Therefore, it was planned to start a support system for renewable gases with a goal of 6,5 TWh a^{-1} until 2030 in form of a quota system within the planned renewable expansion act (EAG) while renewable electricity should be supported in the form of market premiums. Unfortunately, within the last days of negotiations within the government the renewable gas part was deleted from the draft of the EAG. Also, a second attempt for a new renewable gas law with a quota system failed to receive the final approval within parliament in 2024. Within the governmental agreement of the new government 2025 it is planned to introduce a renewable gas law in form of a market premium identical to the support system for renewable electricity within the EAG with a goal of 6,5 TWh a^{-1} in 2030 and the legislative approval was announced for summer 2025. Despite these announcements, the government has not yet agreed on a legislative proposal, and the targeted volume is meanwhile expected to be significantly lowered because of a lack of political willingness.

So, regarding sustainable renewable gases (esp. biomethane) there are unfortunately no concrete efforts to increase domestic production volumes rapidly. Biomethane still lacks legal security in many ways, esp. regarding the legal support framework. While many support contracts for biogas CHP plants expire from 2026 on (regulated by the EAG), there is still no legal support framework for producers of biomethane (e.g. market premium system, quota system), although since 2021 such a legal framework is foreseen within the EAG. An additional barrier is the lack of cross-border tradability of sustainable renewable biomethane. Although progress has been made with regard to the issuing of GoO (Guarantees of origin) and Proofs of Sustainability (PoS) as well as through connection to europe-wide

hubs with regard to GoO, the necessary proofs regarding the fulfilment of the sustainability criteria (PoS) still cannot be linked to the GoO and be traded cross border so far due to the lack of practical implementation of the requirements of the EU's renewable energy directive (RED).

Moreover, a general problem are uncertainties regarding legislation due to very late (or still outstanding) transpositions of EU legal requirements, for example regarding the new requirements from the RED. Another example is the fact that for a long time in the past it was not possible to count sustainable biomethane in the EU Emission Trading System (ETS) with a zero-emission factor, which is now possible, but only on the basis of a time-consuming individual case assessment - a more efficient recognition procedure would strengthen the position of sustainable biomethane on the market. Unfortunately, the European Commission sets very strong and moreover complicated legal requirements for sustainable biomethane but is not capable providing needed by-laws within given timeline.

- *Comment on major changes in the energy sector and in climate and energy policy since the last Energy Policy Review, including details by sector (electricity/heat, transport, buildings, industry).*
- *Provide information on how climate and energy policy is monitored, evaluated and updated.*
- *Describe the role for energy research and innovation in the clean energy transition including governmental strategies and funding.*

1.3 Investment and financing overview

- *Provide an overview of the main sources of funding / financing for energy sector investments. Indicate what shares come from private investment (companies / consumers), government spending or international support.*
- *Comment on any barriers to energy investment or achievement of energy policy caused by high financing costs and/or lack of access to financing / capital.*

Regarding (sustainable and renewable) biomethane plants the main barrier for investments is the missing legal support framework for producers (e.g. market premium system, quota system; see above).

Also, due to its availability, shown in the highest figure of full-load-hours compared with all other renewable energies, CHP biogas plants could provide, in common with pump hydro storage and battery storage system, the much-needed security of supply. But so far, the renewable expansion act hinders a fluctuation production based on demand due to its strong regulation to capacity of installation. A change from capacity to an amount of production per year would allow that biogas plants can deliver more power in times of lack of fluctuating renewables and could reduce power injection within times of high production from fluctuating renewables.

- *Describe any financial mechanism or regulations intended to reduce financing costs and/or improve access to financing / capital for energy projects (e.g., green / climate bonds…)*

Although there is an obligation for tenders of investment support for biomethane plants within the renewable expansion act (EAG) there was only one tender so far (in 2024). However, there has still been no final funding commitment or payment of subsidies to plants participating in that call for tenders. Additionally, there was no tender so far in 2025 and there are still no negotiations on how to proceed.

- *Note any major difference between sectors (electricity, oil, gas, renewables…)*

While the focus regarding the energy transition mainly lies on sustainable renewable electricity without any requirements on security of supply of electricity, there is hardly any effort towards sustainable and renewable gaseous fuels etc.

1.4 Taxation policy and carbon pricing

- *Describe the overall energy taxation policy. Note any major changes since the last Energy Policy Review.*

  Unfortunately, since the last report the necessary laws for renewable gases and especially sustainable biomethane are still not in force and therefore support schemes for renewable gas grid (see above), tax exemptions (see below) etc. are not in force until now.

- *Provide information on carbon pricing policies and their effect in the energy sector. Describe policies on how revenue from carbon pricing is used.*
- *Indicate how energy and carbon taxation policy is aligned with overall energy sector targets and the level of co-ordination on tax policy and energy policy.*
- *Describe the desired impacts of taxation on the energy sector and provide an assessment of the actual impacts (supply mix, demand, emissions…)*

  Progress has been made in incentivise sustainable renewable energies in the tax system, e.g. through the adoption of incentives for sustainable renewable gases in the natural gas levy. Although one desired impact would be to enhance the attractiveness of sustainable renewable gases (esp. biomethane) due to this tax incentive, unfortunately the intended incentive is still not applicable. This has also an impact on the national CO2 tax, as the tax exemption for sustainable and renewable gases (esp. biomethane) there is linked to the applicability of the natural gas levy exemption for those gases.

1.5 Skills and competencies for the energy transition

- *Describe challenges to ensure sufficient skills and workforce capacity needed to manage the energy transition. Describe strategies and policies in place to meet those challenges, including measures to enhance gender diversity in the energy sector.*

  Problems occur because of a lack of constancy within the needed legislations. For example, at the end of last decade an intense debate on a new renewable expansion act was going on. Within this legal framework also a renewable gases quota system to transform the gas sector was negotiated. Due to these negotiations many existing and upcoming plant operators started developing plans for (strengthened) entrepreneurial engagement in this sector, but have found themselves in an unclear market situation due to the ongoing lack of adoption of key legislation (see above). To ensure sufficient skills and workforce capacity for the renewable gas sector (e.g. biomethane), constant and predictable framework conditions are needed.

2. Sectoral breakdown of the energy transition

2.1 Transport

- *Describe policies to improve the efficiency and reduce emissions from all modes of transport (road, rail, shipping, aviation) for both passengers and freight, including policies supporting EVs and EV charging infrastructure.*
- *Describe policies intended to lower transport energy demand through other means, including active transport (walking, biking…), improved urban planning and logistics.*
- *Describe strategies and policies directed at ensuring security and affordability in the clean energy transition of the transport system.*

2.2 Buildings

- *Describe policies to improve the efficiency and reduce emissions from buildings for homes, commercial buildings and public buildings.*

- *Describe policies and measures to promote district heating development and give an overview of the industry and regulation for district heating.*
- *Describe strategies and policies directed at ensuring security and affordability in the clean energy transition in buildings.*

2.3 Industry

- *Describe policies to improve the efficiency and reduce emissions from industries, including technological solutions and supporting infrastructure.*
- *Describe strategies and policies directed at ensuring security and affordability in the clean energy transition of industry.*

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3. Electricity and heating

3.1 Decarbonisation strategy

- *Note any targets or policy goals for the electricity and heating sectors, such as coal phase-out dates or share of renewables.*
- *Provide information on existing and planned policies to decarbonise electricity generation and space heating.*
- *Provide information on energy taxes in the context of heating fuels and electricity.*
- *Provide information on integrated energy system planning approaches (e.g. coordinating the EV uptake in transport with the electricity market needs).*

3.2 Scenarios, system planning and markets

- *Provide an outlook for electricity and heat demand in a medium- and long-term perspective and describe the system planning process to meet this demand, on a national and regional level. Note any targets to increase electrification of demand in other sectors (buildings, transport, industry).*
- *Provide plans for grid infrastructure buildout including cross border interconnectors. Address plans for both the transmission and distribution networks.*
- *Provide a brief description of the major players in the electricity industry and a brief overview of the electricity wholesale and retail market design.*
- *Provide a brief description of the heating sector, including the market shares of district heating and other heating sources (such as gas boilers, heat pumps, etc.), the recent market developments and trends, and forecasts/outlook for district heating and other heating installations, including the outlook for low-emissions fuel sources.*
- *Briefly explain the district heating sector structure and regulatory framework.*

3.3 Renewables

- *Describe any incentives or policy support offered to renewable energy sources, such as auction schemes, feed-in tariffs, or renewable portfolio standards.*
- *Describe the current status and future outlook for renewable energy in the country.*
- *Describe any permitting and connection challenges faced by renewables and measures to address them.*

Renewable energy permitting projects face many challenges regarding the permitting process, such as long duration of permitting procedures, excessive planning costs due to overly detailed requirements regarding the planning documents, lack of digitalisation or inconsistent regulations or interpretations and subsequent requirements to plants in the different federal states.

At the moment a renewable expansion acceleration act is being planned, but unfortunately (besides general provisions regarding acceleration of permitting procedures) the focus is mainly on acceleration areas for photovoltaics and wind energy, but doesn't sufficiently include other forms of renewable energy such as biogas/biomethane.

3.4 System integration and flexibility

- *Describe current policies and measures supporting the integration of distributed and variable renewable electricity generation.*

  Due to its availability, shown in the highest figure of full-load-hours compared with all other renewable energies, CHP biogas plants could provide, in common with pump hydro storage and battery storage system, the much-needed security of supply. But so far, the renewable expansion act hinders a fluctuation production based on demand due to its strong regulation to capacity of installation. A change from capacity to an amount of production per year would allow that biogas plants can deliver more power in times of lack of fluctuating renewables and could reduce power injection within times of high production from fluctuating renewables.

- *Describe the overall policy approach and any measures supporting increased electricity system flexibility.*
- *Note targets for energy storage, describe supporting measures, as well as any barriers.*
- *Note targets for demand management and describe any barriers to demand management and supporting measures.*

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4. Fossil fuels

4.1 Upstream sector (if applicable)

- *Describe the policy and regulatory framework for upstream oil and gas production (and coal if applicable), including licensing and decommissioning frameworks.*
- *Describe emissions reduction measures for the upstream oil and gas sector (e.g., carbon pricing, carbon intensity caps, methane regulations, etc.)*
- *Outline the government's longer-term plan for the oil and gas sector in light of net zero transitions, including future licensing rounds.*
- *Describe policy aimed at ensuring a people-centred (or just) transition of upstream fossil fuels industries (oil, gas or coal)*

4.2 Downstream infrastructure and market operation

- *Describe the role for existing infrastructure and refinery capacity during a clean energy transition, including aspects of energy security and affordability.*
- *Provide a brief description of the major players in each area of the oil and gas industry, including public ownership, third party access to infrastructure, and unbundling arrangements.*
- *Provide a brief overview of oil and gas wholesale and retail market design and operation.*
- *Describe any policies related to ensuring affordability of oil and gas for end-users.*

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5. Priority areas

The Energy Policy Review will focus on 2-3 priority areas that form key challenges and opportunities for the country. Please provide your input and comments for the suggested priority areas below.

5.1 Strengthening industrial decarbonisation and competitiveness

- *Provide a brief description of the context (including industry structure) and explain why this area presents an important challenge or opportunity to your country. Explain the key barriers to decarbonisation of industry.*

  Waste management also plays an important role in connection with biogas/biomethane and there is the opportunity to further strengthen the connection between organic waste management, renewable energy production, circular economy and bioeconomy through the recovery of nutrients the production of valuable fertilizers and other biogenic products. In this regard, some legal requirements would further improve the harmonisation of these sectors:

  - Further promotion of the separate collection of organic waste for the explicit recycling of valuable nutrients and for renewable energy production and thus implementation of the EU Critical Raw Materials Ordinance in the Waste Management Act (AWG) and the Fertilizer Act (DMG)
  - Explicit clarification in the AWG (Annex I, R3) that the digestion of organic materials is to be regarded as material recycling
  - Explicit clarification in the AWG that agricultural products such as straw, intermediate crops etc. (also when sold to third parties) are not to be classified as waste
  - Extension of the list of permitted source materials for qualification as biogas slurry in the Fertilizer Ordinance (e.g. digestate from organic waste)
  - Further development of a strong bioeconomy

- *Explain the trends in industrial decarbonisation, and targets and forecasts if available.*
- *Provide information about the strategic framework for industrial decarbonisation and competitiveness, and briefly describe existing policies and measures that have an impact on strengthening industrial competitiveness and accelerating the decarbonisation of industry, for example:*

  - *Measures to incentivise long-term renewable electricity PPAs (e.g. through de-risking instruments, Renewable Energy Pool).*
  - *Measures to incentivise energy efficiency, electrification and demand-side response in industry.*
  - *Innovative financing instruments for the decarbonisation of industry (including early deployment of innovative technologies).*
  - *Instruments for establishing lead markets for low and near-zero emissions production from energy-intensive industry.*
  - *Instruments to support energy efficiency, electrification and decarbonisation in less energy-intensive industries.*
  - *Any other relevant policies and measures.*

- *Provide information about additional policies that the government plans to introduce (or any other developments) that may have an impact on industrial decarbonisation and competitiveness directly or indirectly.*

5.2 The role of energy storage in the integrated energy system

- *Provide a description of the context and explain why electricity storage presents an important challenge or opportunity to your country. Please explain, in particular, the regulatory context including grid usage fees for different storage technologies, and the impact of the current subsidy system on battery storage.*

- *Provide information about Austria's energy storage needs and potential, and obstacles to its expansion and ramp-up.*

- *Describe the current status of deployment of different energy storage technologies in Austria, and forecasts if available.*

- *Provide information about targets/strategic objectives related to energy storage and existing policies and measures that have an impact, for example:*

    - *Incentives for the system-beneficial use of large-scale storage and pumped storage.*
    - *Measures for the grid-friendly use of small-scale storage systems*
    - *Any other policies and measures.*

- *Provide information about additional policies and measures that the government plans to introduce (or any other developments) that may impact the deployment of energy storage directly or indirectly.*
