

## Regional workshop within the project

### REFUND+

## Refund individual investment in RES heating systems through direct tax measures

28 April 2008, 12:30-17:00  
Vienna University of Technology, Energy Economics Group,  
Gußhausstraße 25-27  
A- 1040 Vienna

### Participants

First name	Last name	Association	Sector	Comment
<b>Industry associations</b>				
Gerald	Lutz	Ochsner Wärmepumpen GmbH	Heat pumps	
Peter Michael	Weiß Holasek	SI Energiesysteme GmbH Buderus-Austria	Solar thermal, heat pumps Biomass, Solar thermal, heat pumps	
Thomas	Mader	Stiebel Eltron	Biomass, Solar thermal, heat pumps	
<b>Ministry</b>				
Bettina	Bergauer-Culver	Ministry of economics	Government	
Rainer Katharina	Pilz Kowalski	Ministry of finance Ministry of environment	Government Government	registered, but not participating, personal contact
<b>Agencies</b>				
Alexander Adi	Storch Groß	Umweltbundesamt Energieinstitut Vorarlberg	Agency Agency	registered, but not participating, personal contact
Christiane	Egger	OÖ Energiesparverband	Agency	registered, but not participating, personal contact
Christoph	Wolfsegger	Klima- und Energiefonds	Agency	
<b>Promotion organisation</b>				
Bernd	Gottinger	klima:aktiv holzwärme	biomass	registered, but not participating, personal contact
Werner	Weiss	AEE	solar thermal	registered, but not participating, personal contact
Christine	Widmann	Leistungsgemeinschaft Wärmepumpe	Heat pumps	
Michael	Cervený	ÖGUT - klima-aktiv holz:wärme	biomass	
Christian	Rakos	Pro-Pellets	biomass	registered, but not participating, personal contact
<b>other</b>				
Mario	Ragwitz	FhG-ISI	research	
Andrea	Kollmann	Energieinstitut Linz	research	
Wolfgang	Amann	IIBW	consultant	
Heinrich	Huber	arsenal research	heat pumps	
Lisa	Bohunovsky	SERI	research	
Hermann	Halozan	TU-Graz	research	
Gustav	Resch	EEG / TU-Wien	research	
Reinhard	Haas	EEG / TU-Wien	research	
Lukas	Kranzl	EEG / TU-Wien	research	

## Minutes

12:30 Coffee and snacks

13:00-13:10 Welcome and introduction by Reinhard Haas and Lukas Kranzl (EEG/TU-Wien)

13:10-13:30 Targets of the Workshop and presentation of the project REFUND+ by Lukas Kranzl (EEG/TU-Wien)

Lukas Kranz gives an overview about the targets of the workshop and presents the objectives of the REFUND+ project. (see slides)

A discussion about the general requirements on promotion instruments in the RES-Heat sector arises. In this discussion participants stressed the fact that it is necessary to design efficient promotion instruments e.g. in terms of CO<sub>2</sub>-emissions avoided. Moreover, participants pointed out that in economic terms many RES-heat systems are already competitive today. However, decision making processes often are not pure rational in the heating (and especially the private household) sector. For this reason, it is important to communicate clear signals to the consumers e.g. by financial incentives and awareness raising campaigns etc.

13:30-14:00 Promotion of RES Heat in Europa: overview and outlook by Gustav Resch (EEG/TU-Wien)

Gustav Resch gives an overview about the RES-Heat market in Europe and promotion schemes in various countries. (see slides)

The question is discussed to which extent technology specific support instruments are efficient and effective. On the one hand, representatives of the heat pump industry argue that in Austria heat pumps are less promoted than biomass and solar thermal systems. In particular, they criticized the high requirements regarding COP (>4) in some provinces. Other participants pointed out that it is reasonable to promote only heat pumps with sufficiently high COP in order to reduce electricity consumption and related CO<sub>2</sub>-

emissions for these systems. Moreover, technology specific support schemes in general reduce overall costs of schemes.

A discussion between heat pump and biomass representatives arises to which extent the higher support for biomass is justified. The conclusion was that the balancing of support for different technologies and systems has to take account of the current state of the market diffusion and dynamics of the development of the related systems.

Some participants discussed that the macroeconomic costs of promoting RES are low in the heating sector compared to electricity and transport.

14:00-14:40 State of the political discussion and current developments in Germany by Mario Ragwitz (FhG-ISI)

Mario Ragwitz presents the current version of a RES-Heat law which most probably will be implemented within the next few months. The scheme is based on a mixture of obligations for new buildings and subsidies for existing buildings. The current proposal does not include tax instruments. Also, tax instruments have not been subject of the discussion during the policy implementation process. (see slides)

Some specific aspects of the German scheme were discussed. Especially the role and practical implementation of obligations in multiple dwellings were discussed.

Especially representatives of the heat pump industry pointed out that they would strongly opt for a unique treatment of all renewables like it is the case in the German obligation.

14:40-16:00 Tax instruments as support measures for RES-Heat: Experiences in France, Austria and other European countries by Lukas Kranzl (EEG/TU-Wien)

Lukas Kranzl presented the different tax instruments for RES-Heat support in Austria, Belgium, France, Italy and Portugal. The cases of France and Austria were presented in a more detailed way. Previous results from WP2 and WP3 have been presented and discussed (see slides).

Heat pump representatives stressed that the French instrument has pushed strongly the heat pump market which led to a leading role of France in this market sector.

The role of stable RES-Heat equipment prices has been discussed. Participants stressed that the market development and competition among RES-Heat equipment suppliers is essential for stable prices in order not to reduce the efficiency of the promotion scheme.

The Austrian tax instrument has been discussed in detail. Especially the fact that the instrument is also applicable for efficient fossil heating systems and that there are no technical requirements for the term “efficient” has been strongly criticized. The participants agreed that the tax allowance instrument would only be a reasonable instrument if the following points would be implemented:

- Technology specific requirements
- Only for RES-Heat systems and not for fossil systems
- no pooling with non-energy specific expenses
- applicable for all income groups
- reasonable amount that would give enough incentive to promote the instrument

However, currently participants do not see any political will for such measures. In the ongoing debate about a tax reform in Austria, the pool-special-expenses are discussed quite controversially and it could be the case that the tax allowance scheme for all pool-special-expenses will be abolished.

There was no clear agreement between the participants about the effectiveness of tax instruments in general. Some participants argued that the tax instrument is much less attractive for the consumers because of longer duration and complicated procedures. In particular participants were sceptical about the transparency of tax instruments. Others argued that people in general are happy about any reduction of tax payment and for that reason tax instruments could be an effective instrument. For that reason, there was no clear demand from the stakeholders for a tax instrument.

There is a clear agreement among the participants that investment subsidies in general are an effective promotion instrument (although there was some

disagreement regarding the balancing of the support level between the different technologies and the differences between the provinces).

A short discussion came up regarding the possible role of VAT reduction of RES-Heat. Rainer Pilz (Austrian Ministry of Finance) argued that under the current legislation this is only very difficult to implement. However, this might change due to corresponding negotiations on the European level.

16:00-17.00 A tax instrument for thermal building renovation by Wolfgang Amann IIBW

Wolfgang Amann presented a proposal for a tax instrument for thermal building renovation which has been developed and discussed together with several stakeholders including the Austrian ministry of finance. In particular, Wolfgang Amann pointed out that this instrument would be the same for the nine provinces of Austria which would strongly ease corresponding promotion activities (see slides).

This instrument could also be extended to RES-Heat systems. The current proposal also includes efficient fossil heating systems. However, this most probably would be eliminated in a real policy implementation process due to the current effort for climate mitigation.

The participants discussed about to which extent the policy makers should insist to push whole building renovation measures including RES heating systems or whether the high demand for quick measures in order to fulfill the GHG-reduction targets would need also single measures like changing only the heating system without a complete renovation concept. There was no agreement on this question among the participants.