



PROJECTS OF BIOMASS ENERGY USE FINANCED WITH NATIONAL AND EU PROGRAMS IN LOWER AUSTRIA

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General:

During the last few decades, Austria has taken great strides toward the successful construction of biomass heating plants. This has resulted in the fact that in Lower Austria alone, for instance, among biomass heating plants that sell heat to third parties, more than 200 projects with a total boiler capacity of 242 MW have been implemented (Austria-wide approx. 850 plants). Add to this innumerable small plants in private ownership, operated as wood chip, pellet or log wood heating facilities. During the last 15 years, around 27,000 wood-chip plants and 22,000 pellet plants with capacities of up to 100 kW have been built.

Forms of support:

Financing of biomass projects essentially avails itself of two programs. One is the program "Promotion of Adaptation and Development of Rural Areas, Art. 33". The other program in Lower Austria is the "Promotion of Environmental Development in Austria," announced in Brussels and managed by Kommunalkredit Austria [specialist bank for public finance].

Regarding the selection of the preferred source of financing, it is essential to first examine the possibility of an agricultural subsidy.

For private persons and farmers, it is possible to either receive a loan increase as part of the housing construction promotion, or an allowance as part of the boiler

exchange campaign. The promotional quota in this area varies between 10 and 20 percent.

European promotional programs such as the 6th Framework Program for Research, Demonstration and Technological Development, Altener, SAVE, etc. are irrelevant for the financing of heating plants. This also applies to Interreg and similar programs.

Promotion of Environmental Development at Home – Managed by Kommunalkredit Austria (KKA):

This source should be used if the applicant

- is not a farmer,
- or an association largely nonfarmers,
- or the plant produces more than 4 MW of fuel heat.

The minimum investment must be above € 10,000. The upper limit of the subsidy is around 30%.

The subsidy funds are national without EU-involvement. An exception are applicants in a disadvantaged area (regions defined in the EU-Treaty). In this case, 50% of the promotion is financed by the European Fund for Regional Development (EFRE).

Budget 2003: With a promotional quota of 30%, approximately € 3 million was spent, about € 0.5 million from EFRE.

Condition for subsidies:

Economic viability of the project

Compliance with the standard per ÖKL-info sheet No. 67

Biomass use at least 80% of total fuel use

No biomass from third countries, at least 75% from the region

Sale of heat mandatory

Promotion of Adaptation and Development of Rural Areas, Art. 33 –

Management by the Office of the Lower Austria Provincial Government:

No lower limit regarding minimum investment. The highest subsidy rate is 40%.

Subsidizable projects are

- Solid biomass

- Biogas (except for power generation components in Upper Austria, which are normally not subsidizable by KKA, for instance)
- Liquid biomass

50% of the subsidies come from the European Agricultural Guidance and Guarantee Fund (EAGFL)

Budget: 2003 and 2004: € 2.8 million/year each for solid biomass
2004 : € 1.6 million/year each for solid biomass

Condition for subsidies:

Economic viability of the project

Compliance with the standard per ÖKL-info sheet No. 67

Biomass use at least 80% of total fuel use

No biomass from third countries, at least 75% from the region

At least 20% of agricultural forest wood chips

Sale of heat mandatory

Biogas Subsidies:

Application for subsidies from the KKA for the power-generating portion is not possible. There, only subsidies for the heat-conducting portion may be applied for. The electricity tariff must make financing viable.

Biogas Subsidies in Lower Austria:

The following conditions under which a subsidy of the electricity portion, in addition to the electricity tariff, is possible in Lower Austria are an exception:

Only plants up to a capacity of 1MW_{el} are subsidizable

Only agricultural plants are subsidizable

Only primary agricultural products (liquid manure, manure, raw plant materials) may be fermented.

The maximum subsidy level is 30%, up to a maximum of € 150,000.

If a waste heat utilization concept is submitted, a premium of 10% may be granted, up to a maximum subsidy of € 200,000 (condition: at least 50% of the power generation must be used externally in the form of heat).

This subsidy is a purely national subsidy.

General subsidy conditions:



The minimum investment must be € 40,000.

The plant must be approved as a renewable energy plant according to the Renewable Energy Act.

Subsidy for Liquid Biomass:

The conditions are comparable to those of district heating subsidies for solid biomass.

Only the heat-conducting portion of the plant is subsidized. Subsidies of the power-generating portion is not possible.

Biomass Funds in Lower Austria:

Conditions are the same as in Art.33

This is a purely national subsidy.

Budget:	2001 to 2003:	5.8 Mio €/year
	2004:	3.6 Mio €/year

ÖKL Austrian Council for Agricultural Engineering and Rural Development