



RES-e Regions

WP 2

Regional report on transposition

Upper Austria

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Background

According to the Communication from the Commission to the Council and the European Parliament, The share of renewable energy in the EU (COM(2004) 366 final), Austria is "About to be on track" concerning the implementation of the requirements laid down in the "RES-e Directive" (2001/77/EC). The Commission states that "Austria has a good perspective for growth. Such a development is facilitated by the feed-in tariffs introduced in January 2003, however not excluding a streamlining of the support scheme with additional efficiency requirements."

The background of this comment is that in Austria the main support scheme for RES-e is a nation-wide feed in tariff supported by regional programmes in some parts of Austria. The feed-in tariffs in combination with the regional support programme for RES-e caused a boom in new RES-e installations. Unfortunately the tariffs were only given for new installations that had obtained all necessary permits before 31 December 2004. At present, negotiations for a new regulation fixing the feed in tariffs are on-going, meaning that since the beginning of 2005 no feed in tariffs for new RES-e plants are granted. This situation causes great uncertainty among potential investors.

1 Analysis of the real life conditions of the RES-e implementation – Results from a survey to stakeholders

In order to get an insight into the opinion of relevant stakeholders in the region, 11 persons, comprising planners, project developers, energy experts and RE technology producers were interviewed. For most RES-e technologies (except small hydro power), more than one stakeholder was interviewed to get a well balanced picture of the situation.

The most important stakeholders active in the different RES-e technology sectors in the region were selected and using the common interview format, the RES-e actors were asked about their opinion on RES-e implementation, grid access and administrative procedures and guarantee of origin and what main problems in the RES-e market penetration process were encountered.

The difficulty in analysing the results is to differentiate between "normal" complaints (which are issued as a general habit by people being interviewed) and "real" problems, which should be taken seriously.

Although the answers and encountered problems differ depending on the RES-e technology, the following common viewpoints can be outlined:

Most of the interviewed actors complained about the costs of grid access. High connection costs are very often seen as a way to prevent RES-e, 8 of 11 stakeholders regard the high costs for grid access as a major barrier for investors and project implementation. On the other hand the procedure of getting access itself (duration, technical requirements) seems to create no major problems.

Concerning permission procedures, half of the interviewed persons complain about too restrictive requirements set forth by the administrative authorities. However, again the duration of the administrative procedure itself presents no major problem.

All interviewed persons mentioned as the biggest barrier for RES-e implementation the lack of stable financial framework conditions, a boost for RES-e projects could be caused by adequate feed-in tariffs, which should be guaranteed for a longer period (at least 10 years) and not be changed annually but be stable over a longer period of time.

2 Under which conditions is grid access granted – which main problems are being encountered.

Concerning the implementation of the requirements laid down in the "RES-e Directive" (2001/77/EC), grid access conditions in Austria are "medium" according to the Communication from the Commission to the Council and the European Parliament, The share of renewable energy in the EU (COM(2004) 366 final, p.16).

The Austrian report (pursuant Art. 6(2) of the Directive 2001/77/EC) evaluating the existing legislative and regulatory framework with regard to authorisation procedures (October 2003) states that non-discriminatory network access was already a fundamental principle of the first liberalisation phase designed to prevent the network operator abusing its monopoly position. All plants are connected to the network, to the extent that it is technically possible. Cases of denied network access are heard by an independent, tribunal-type body, the Energy Control Commission.

Although according to this report, no administrative barriers should exist, the Commission's assessment of the grid access conditions in Austria was only "medium".

According to our investigation and taking into account the results of the survey to 11 stakeholders in the region of Upper Austria, the situation can be described as follows:

There are no legal restrictions to free grid access for RES-e technologies, access can only be denied if the connection is technically not feasible. In such cases the plant operator has to pay the costs for the connection (e.g. to adapt the grid). However, this "technical argument" should not be used to deny access arbitrarily, but build on official guidelines concerning grid quality ("TOR" – technical requirements for grids).

Concerning the costs for grid connection, only real costs are allowed to be accounted.

So far the theory, the legal situation seems to present no barriers and free access for RES-e plants seems to be ensured.

However, the perception of the main stakeholders in the region is different. Most of them regard the claimed costs for grid connection, caused by investment in grid enlargement or intensification of the grid as excessive. The main problem is that these costs are not made transparent and are not communicated in a neutral way (e.g. why they are necessary, that there are only technical reasons – at least that is how it should be, etc.). Moreover there is no competition in this field, which means that the plant operator feels at the mercy of the grid operator up to whom it seems to be to calculate the connection costs freely.

In many cases the problem is that, when the connection costs are quite high (e.g. up to 100,000 €/MW for wind power plants), thus compensating the cost savings which could be achieved by investment in more and/or bigger plants (economy of scale). Additionally the connection costs differ from one to another RES-e technology and from one location to another but are not necessarily depending on the plant capacity, making it difficult for investors to calculate the costs beforehand.

On the other hand, in a liberalised market, the actual costs caused by new plants have to be charged because the grid operator can not cover this expenses.

3 Have permission procedures been streamlined – which main problems are being encountered

Concerning the implementation of the requirements laid down in the "RES-e Directive" (2001/77/EC), conditions in Austria on administrative barriers are "good" as stated in the Communication from the Commission to the Council and the European Parliament, The share of renewable energy in the EU (COM(2004) 366 final, p.16).

As Austria is a federal country, the legal framework for the permission procedures is mainly decided by the nine Austrian regions. In Upper Austria for example, RES-e plants up to 10 kW need no permission and simplified authorisation procedures are foreseen for RES-e plants from 10 – 30 kW.

Presently, there are negotiations under way that plants up to 30 kW could be built without a permission. The reason for simplifying the requirements is that after some years of building RES-e plants in the region, the quality of the installations (and of the actors responsible for the electrical parts) improved.

The difficulty is that in order to ensure high quality installations, strict requirements are necessary and on the other hand, simplification of administrative procedures would facilitate the implementation process.

The perception of the main stakeholders of this issue is naturally different. Most of them would prefer a simplification of permission requirements and procedures.

4 What is the situation regarding “guarantee of origin” – is the situation improved compared to the time before transposition and what concrete measures could be taken

Article 5 of the Directive requires Member States to implement a system for a guarantee of origin. Responsible for the implementation in Austria is the regulatory body (e-control).

The guarantees of origin are issued by the network operator to power plant operators on request, free of charge. Pursuant to the Austrian Eco-electricity Act, the guarantee must state:

- the quantity of energy produced,
- the type of production installation and its peak capacity,
- the period and place of production, and
- the energy sources used.

If the operator of a green power plant or an electricity trader sells the electrical energy to another electricity trader, the vendor must pass the relevant guarantees of origin to the purchaser free of charge and this must be recorded. In order to comply with the provisions on guarantee of origin in a cost-effective, transparent and uniform manner, network operators have the use of a guarantee of origin database provided by the e-control.

The guarantee of origin database (www.herkunftsnachweis.at) comprises information on RES-e plants (either supported under the Eco-electricity Act or not). The data are fed in by the grid system operator ("Ökobilanzgruppenverantwortlichen") and distributed to the electricity traders.

Although the database is already in operation since January 2003, the perception of the main RES-e stakeholders in the region is very vague. Only one of them had a concrete idea of how the database is operated and what would be the meaning of the guarantees of origin.

5 Conclusions

The following table gives a picture of the overall trend in the region for every renewable energy source based on the interviews of main stakeholders. 1 (red) stands for stands for important problems for a specific technology (e.g. a general and strong opposition to wind parks), 3 (green) for a comparatively few problems, 2 (yellow) for a situation where some installations have problems, and other not.

	n/a	Grid system issues			Administ. procedures		
		1	2	3	1	2	3
PV			X				X
Wind			X				X
Biomass				X		X	
Biogas			X			X	
Small hydro			X			X	

The main barrier for further RES-e market penetration, which was also stated by every stakeholder interviewed, is presently the lack of stable support conditions (no feed-in tariff).

In order to improve the perception of stakeholders concerning costs for grid access, a communication process should be started to make the connection costs more transparent.

Additionally it should be highlighted that high quality plants are a benefit for further market development but on the contrary require stricter technical requirements resulting in perhaps more complicated administrative procedures.

Finally the benefits of guarantees of origins have to be communicated and the procedure of issuing these documents including the database should be made public.