



ENERGY COMMUNITIES REPOSITORY

Austria



OVERVIEW OF THE POLICY FRAMEWORK

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DISCLAIMER

The content of this document aims to establish an overview of the national legal developments in the context of the Clean Energy Package for the Member State mentioned above. **The document includes only final legislation which was published before the end of March 2023. It does not include provisions that are not yet applicable under law (i.e., currently drafted or discussed).**

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Overview

According to the Energy Communities Repository, Austria has a comprehensive national framework for energy communities (ECs) defined mainly through two laws. The Federal Law on the Expansion of Energy from Renewable Sources (EAG) establishes a framework on renewable energy communities (RECs) in the 6th Section of the Act. In parallel, Citizen Energy Communities (CECs) benefit from a framework defined from Section 6a onwards of the Federal Law on the Organisation in the Field of the Electricity Industry (EIWOG). The latter also includes some common provisions applicable to both CECs and RECs, particularly on energy sharing. The energy communities' framework was introduced by an amendment of the EAG package published in the Gazette 150/2021 of 27 July 2021.

Definitions are well developed, and most rights, obligations and enabling framework provisions ECs cover energy sharing among members. In order to monitor and promote ECs, the Austrian Ministry of Climate Protection entrusted the federal Climate and Energy Fund with setting up the Coordination Office for Energy Communities (COEC), which is supported by the regulator in the implementation of the provisions and support of their development.

1. Definitions

Austria developed two definitions for RECs and CECs that are separated from each other. EIWOG outlines the definitions of both CECs¹ and RECs². The definition of a REC is further elaborated in the EAG.

Austria also established a federal Coordination Office for Energy Communities (COEC) in summer 2021. Together with the public advisory institutions in the federal states, the COEC ensures that ECs can be easily set up and actively operate in energy markets. The Coordination Office for Energy Communities oversees and supports their development.

1.1. Renewable Energy Community

According to the national definition, a REC is a legal entity that enables the energy generated to be shared within the community. A REC must consist of at least two members or shareholders and be organised as a legal person, such as association, cooperative, partnership or similar association. Participation in the REC must be open and voluntary, and the REC members or shareholders must be located in the vicinity of the production site.

Members or shareholders of a REC can be natural persons, municipalities, legal entities of public authorities that do not have their own legal entity (e.g. local districts, police guards) and other legal persons under public law or small and medium-sized enterprises. Energy suppliers are not allowed to participate. Participation must not be the main commercial or professional activity. However, producers who inject electrical energy to a

¹ § 7 paragraph 6a and §16b paragraph 3

² § 7 paragraph 15a and § 16c paragraph 2 of EIWOG, as well as § 79 of EAG



network in the local or regional area may participate in a REC, provided that they do not already have a contract with a supplier.

A REC's primary purpose must not be financial gain: this is to be stated in the articles of statutes unless it is already clear from the legal form. The REC must bring environmental, economic or social benefits to its members or the areas in which it operates.

1.2. Citizen Energy Community

A CEC is a legal entity that is controlled by members or shareholders according to the Austrian law. Members or shareholders of a CEC can be natural or legal persons and local authorities. A CEC must consist of two or more members or shareholders and be organised as an association, cooperative, partnership or corporation, or a similar association with legal personality. Participation in the CEC must be open and voluntary.

Only one of several of the following categories of actors can control the CEC: natural persons, local authorities, and small enterprises that are not electricity companies.³ Control is granted to the majority of the members or partners of the categories mentioned above.

Unless this is already clear from the company form, the statutes must state that the primary purpose of the CEC must not be financial gain. The CEC's priority should be to offer its members or to the areas in which it operates environmental, economic or social benefits.

2. Rights and obligations

2.1. Renewable Energy Community

Network users have a legal right vis-à-vis network operators to participate in a REC.⁴ EAG also confirms that the rights and obligations of the participating network users, particularly the free choice of supplier, remain unaffected.

A REC can engage in the following activities:⁵

- produce energy from renewable sources;
- consume self-generated renewable energy;
- store self-generated energy;
- sell self-generated energy; and

³ Defined as a natural or legal person or a registered partnership which, for profit, performs at least one of the functions of generation, transmission, distribution, supply or purchase of electrical energy or which performs commercial, technical or maintenance functions related to performs these functions, with the exception of end consumers

⁴ § 16d paragraph 1 of EIWOG

⁵ § 79 paragraph 1 of EAG



- share the self-generated energy. In fact, according to the definition, it is the main activity of the REC to enable the sharing of the energy generated within the community. The members' or shareholders' consumption points must be connected through the electricity grid, via a low-voltage distribution network and the low-voltage part of the transformer station (local area) or via the medium-voltage network and the medium-voltage point in the substation (regional area) in the concession area connected to the network operator. The transmission of energy from generating plants or storage facilities to consumption plants cannot occur at a level higher than the medium-level substation.

The communities must apply the provisions applicable to the respective activity.

The right to operate and own the generating plants lies within the EC. However, operation and maintenance can be delegated to a third party.⁶

2.2. Citizen Energy Community

Network users have a legal right vis-à-vis network operators to participate in a CEC.⁷ The rights and obligations of the participating network users, in particular the free choice of supplier, remain unchanged.

According to the definition, CEC can generate, consume, store or sell electricity that it generates itself. In addition, a CEC can be active in the field of aggregation or provide energy services to its members, such as energy efficiency and EV-charging. The CEC must apply the provisions of the specific activity regulations.

The right to operate and own the production plants lies with the CEC. However, operation and maintenance can be delegated to a third party.⁸

3. Assessment of obstacles and potential and removal of unjustified barriers

EAG has commissioned the Ministry of Energy to evaluate support schemes for RE production by December 2024, and every five years. The network operators, the regulator, operators and communities are asked to cooperate and transmit the data necessary for this evaluation.

This evaluation report must cover RECs and CECs. In particular, the evaluation must show, for each of the forms of community:

- status and development;
- identification of unjustified barriers or limitations to further development; and
- suggestions for improvement and need for adjustment, in particular with regard to the practicalities of the legal requirements.

⁶ §16d paragraph 5 of EIWOG

⁷ § 16d paragraph 1 of EIWOG applies to REC and CEC.

⁸ §16d paragraph 5 of EIWOG



Austria also monitors compliance with the legal requirements for ECs. The regulator can perform randomised or targeted compliance checks, and the EC must provide the requested data and information to the authority. The regulator has to publish an annual report on ECs established in Austria focusing on the number and regional distribution of ECs.

4. Enabling framework

4.1. Renewable Energy Community

A REC can be active in the field of aggregation and provide other energy services.⁹

A REC can only cooperate with a licensed distribution system operator (DSO). There is a straightforward procedure for registering and operating as a REC. Grid users must be informed within 14 days of which section of the distribution grid their consumption or generation systems are connected to in order to set up or join the community.¹⁰ The notification to the DSO must include:

- description of the functioning of the generation and storage plants;
- consumption meters of the participating network users;
- planned production and consumption shares of each grid user;
- allocation of the energy not consumed by the network users at a precision degree of 15 minutes;
- entries and exits of users; and
- termination or dissolution of the EC and the dismantling of the generation plants.

DSOs have to measure the intake of the consumption systems of the participating grid users as well as the feed-in and the purchase of the generation systems.¹¹

If the network user is not equipped with a smart meter, the DSO has to install one within two months. For energy sharing, the energy values must be measured every 15 minutes and reduced by the allocated energy generated for balancing. The DSO computes the values of the energy consumed and shared by the participants in the REC, and shares this data with the community and the supplier. The supplier only receives the data relevant to his own activity. The measured quarter-hourly values of the generation and consumption plants must be made available to the suppliers and the REC at the latest on the following day. These values has to be made available free of charge to the REC and its members in a safe, user-friendly and encrypted web portal.

The DSO must allocate the static or dynamic share of the generated energy agreed between the participating users to the respective consumption loads of the users. In the case of dynamic shares, this allocation can be updated every 15 minutes. This energy consumption share cannot exceed the overall consumption of the user during the 15-minute time lap. This share of shared energy is accounted for separately in the metering point and shown in the invoice. An invoice has to be sent by the EC or by a third party appointed by the EC for billing to all members, and is expressed upon the terms agreed upon in the remuneration model (e.g., if in kWh, these

⁹ § 79 paragraph 1 of EAG

¹⁰ § 16d of EIWOG

¹¹ §16e of EIWOG



must be stated). The price can be zero if this has been agreed, for instance among the members of a family united in one EC.

The DSO must make this information available to the national regulatory agency (NRA) for random or ad hoc compliance checks and for the annual report on ECs.

The network usage fee is to be determined separately for participating network users of a REC based on the consumption covered by allocated energy from a production plant. The NRA determined a nationwide uniform value for the "local" and "regional" areas based on an average cost incurred. The fixed (performance-based) portion of the grid fee is reduced by the power drawn. The energy price (volume-based) part of the grid use charge of the members of a REC that comes from the shared energy production installation is reduced in line with EIWOG and the Grid Usage Charge Ordinance. The level of this reduction varies according to the geographical scope of the activity:

- by 57% if the REC operates only at the local level;
- by 28% at the local level or 64% at the regional level for RECs operate both at the local and regional levels.

The energy price reductions must be indicated in the bill in EUR cents/kWh.

Moreover, RECs benefit from reducing the capacity-based part of the grid use charge since the shared energy implies lower power drawn from the public grid. The reduction depends on the possibility of lowering peak load on the public grid, including higher network levels loads.

The regulatory authority must publish a cost-benefit analysis by the end of the first quarter 2024.¹² Based on comprehensible data and considering the evaluation mentioned above, it must provide information as to whether a fair and proportionate contribution of the REC and CEC is ensured at the system costs. In particular, this analysis includes the costs for balancing energy, for which the regulatory authority may have to submit proposals for a user-based distribution. Network operators, REC and CEC must transmit the required data for this purpose to the national regulator.

In order to develop access to information, Austria has set up a federal Coordination Office for Energy Communities (COEC) as mentioned above. COEC provides a detailed overview of steps to set up communities, regulations, tools, contact details, relations with DSOs, and a wide range of resources, including templates and guides. The ministry published a [guide on financing REC](#) in December 2021, available on the COEC website.

Austria has also set up the programme [ES](#) supporting local authorities to engage in the energy transition, including through ECs.

The objectives of the EAG¹³ include enabling citizens to collaborate with local authorities and SMEs in RECs, and encourage the sharing of energy produced in the community. The measures in the national law are those that serve to comply with the reporting of the national actions under the National Energy and Climate Plans.

¹² § 79 paragraph 3 of EAG

¹³ § 4 of EAG



4.2. Citizen Energy Community

Besides the support schemes and reduced grid fees, energy sharing provisions apply both to CECs and RECs (e.g. role of the DSO in facilitating energy sharing, smart meter equipment, allocation and billing of the shared energy, access to data).

Network users have a legal right vis-à-vis network operators to participate in a CEC.

A CEC can only cooperate with a licensed network operator. Network operators must be informed of the establishment of a CEC. The notification to the network operator must include:

- description of the functioning of the generating plants (possibly storage plants) and consumption systems of the participating network users;
- respective planned production and consumption shares of the grid users;
- allocation of the energy not consumed by the network users at a precision degree of 15-minute;
- admission and removal of users; and
- termination or dissolution of the EC and the dismantling of the generation plants

The DSOs must make this information available to the NRA for random or ad hoc compliance checks and for the publication of the annual report on ECs.

CECs do not benefit from specific grid charge reductions, as the legislation does not require a direct geographical proximity of the power plant to the consumer installation. Hence, it potentially uses multiple distribution and transmission networks.

CECs can be owners and operators of a distribution network, according to EIWOG.

5. Access to financing and support

Part of the support measures put in place by Austria is applicable to both RECs and CECs. Austria is transitioning towards tendering procedures. From 2023, operators must apply for the market premium solely through competitive tendering. However, the tender procedure will only apply to a limited extent to wind power plants under 20 MW and those operated by either a REC or a CEC.¹⁴ Moreover, the Austrian government will provide up to EUR 4 million to support the establishment of RECs and CECs. The EAG requires an evaluation of the support schemes by December 2024.¹⁵

The Austrian Coordination Office for Energy Communities acts as a national one-stop-shop and is responsible for making administrative procedures more efficient, faster and transparent. It has a coordinator role vis-à-vis the Ministry of Climate, regulatory authority and regional authorities.

In addition, RECs are eligible for automatic direct price support. According to EAG, installations owned by REC are also eligible to apply for investment grants to produce electricity and gas from renewable energy sources.

¹⁴ § 43a of EAG

¹⁵ §91 of EAG



Up to 50% of the renewable electricity generated and not consumed within a REC can be supported through a market premium.¹⁶ The calculation of the market premium is based on the amount of electricity sold by a REC and fed into the public grid. The energy shared and consumed by the members or shareholders is not eligible for this premium. However, the quantities of energy generated and consumed within a REC are not taken into account when determining the renewable levy to be paid by the consumer on electricity and gas.¹⁷

6. Other provisions

6.1. Renewable Energy Community

Austria's National Energy and Climate Plan identifies trajectories and plans for developing the appropriate framework for RECs without quantifying any objective.

The provisions of the 1994 Industrial Code do not apply to RECs. Therefore, a REC's activity is not considered a regulated commercial or trading activity.

6.2. Citizen Energy Community

With the support of the COEC, the regulator is entrusted with monitoring development and barriers encountered by CECs.

CECs are eligible for support schemes, namely investment grants for the construction, revitalisation and expansion of plants (PV, storage, hydropower, wind turbines and biomass).

Similarly to REC, up to 50% of the renewable electricity generated and not consumed within a CEC can be supported through a market premium. The calculation of the market premium is based on the amount of electricity sold by a CEC and fed into the public grid. No premium is granted for the energy consumed and shared among the members and shareholders.

The provisions of the 1994 Industrial Code do not apply to CEC. Therefore, a CEC's activity is not considered a regulated commercial or trading activity.

¹⁶ § 80 of EAG

¹⁷ This levy has been suspended for all consumers with the current energy crisis.



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- Website of the Coordination Office for Energy Communities <https://energiegemeinschaften.gv.at/>