

Federal Subsidy for an Energy Efficient Economy, Germany



Description of the program

- The program is addressed to companies with a permanent establishment in Germany and provides various funding possibilities for energy efficient technologies
- The goal is to increase energy efficiency in the industrial sector in Germany
- The program is financed by the Federal Ministry of Economic Affairs and Energy (BMWi)
- There are 4 Modules, that each cover different technologies.
- Module Nr. 4 is technology-open and requires an external energy-consultant
- The program started in 2019 and is administered by BAFA, KfW and BMWi. A revised directive will come into effect by November 2021 with a planned prolongation of the program until 2026

Critical success factors

- Balance between required information / effort for the applicant and subsidy rate
- Pool of well educated energy consultants is required for reliable energy-savings-concepts
- Defined efficiency-baselines are important

Innovation

- The technology-open Module 4 allows subsidies for individual measures, that do not fit into standard subsidy programs where only certain technologies are covered
- The subsidy rate in Module 4 is calculated by the amount of saved CO₂-Emissions per year
- An individual Energy-savings-concept by an external energy consultant is required and can deliver reliable data about the achieved savings

Outcomes



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Key achievements

- The program provides one central address for nearly all kind of energy saving measures in the industrial sector
- 8.425 applications and 6.949 approvals in 2019
- Rising number of applications in 2020 and 2021
- Calculated energy savings by energy-consultants and external evaluators

Changes you would make in the future

- To have a fixed baseline for the majority of applications, it would be helpful to point out the most common technologies and define a minimum efficiency criteria for each of them
- Involved energy-consultants are hired by applicants, so they have an interest to calculate savings as high as possible. Therefore it could make sense to request measurements for validation

Lesson learned

- It is difficult to set a baseline for all different kind of technologies, especially when it comes to greenfield investments
- Dialogue with manufacturers and other technology-specific experts is helpful
- high educated / experienced employees at the administering institution are required

Replicating your approach

- To enable a fast and effective administration, a standardized energy-savings-concept is essential.
- A clear segregation to other fields/laws is important to avoid discussions with applicants
- See also lessons learned

Further information



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Final comments

- The program can be considered a positive example of the implementation of energy-efficiency-measures in the industrial sector
- The technology-open module 4 makes it possible for companies to apply for individual and unique energy-saving-measures. Therefore, an energy-savings-calculation is required, which has to be carried out by an external energy consultant
- The structure (1 program with 4 modules) raises awareness among applicants about other possible energy saving measures that can be subsidized
- Due to the positive experiences with the program, it will be prolonged until 2026 with additional subsidy possibilities
- In the revised directive, resource efficiency can be considered. Furthermore the preparation of transformation concepts can be subsidized. A transformation concept aims to show a companies strategy to achieve climate-neutrality by 2045

Further information

- Weblink to the subsidy program (BAFA):
https://www.bafa.de/DE/Energie/Energieeffizienz/Energieeffizienz_und_Prozesswaerme/energieeffizienz_und_prozesswaerme_node.html
- Weblink to the German NECP (see p. 193 ff. for alternative measures to implement Art. 7):
https://ec.europa.eu/energy/sites/default/files/document_s/de_final_necp_main_en.pdf

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