



Federal Office  
for Economic Affairs  
and Export Control



Concerted Action EED 3 – WG 1.3

# Germany - Key Measures for Art. 7 EED savings obligation 2021-2030

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## Outline

### 1. Introduction

### 2. Key measures in the German NECP

2.1 CO<sub>2</sub> pricing for the transport and heating sectors

2.2 Buildings Energy Act (GEG) – existing buildings

2.3 Federal funding for energy and resource efficiency  
in industry

### 3. Conclusion



## 1. Introduction

- Germany notified 27 alternative measures to fulfil the Art. 7 EED savings obligation for the new period between 2021-2030.
- These measures include:
  - Subsidy schemes;
  - Regulatory laws;
  - Voluntary commitments;
  - Taxation measures;
  - Pricing instruments;
  - Information and consultancy programs
- The biggest “contributors” among the measures in the NECP to reach the Art. 7 EED savings obligation are subsidy schemes, taxation measures and regulatory laws.





## 2. Key measures in the German NECP

### 1. CO<sub>2</sub> pricing for the transport and heating sectors

- Type of Measure: Fiscal / Taxation
- Sector: Cross-sectoral
- Expected Savings (cumulated): ca. 715 PJ

### 2. Buildings Energy Act (GEG) – existing buildings

- Type of Measure: Regulatory law
- Sector: Buildings
- Expected Savings (cumulated): ca. 573 PJ

### 3. Federal funding for energy and resource efficiency in industry

- Type of Measure: Subsidy Scheme
- Sector: Industry
- Expected Savings (cumulated): 526 PJ

## 2. 1 CO<sub>2</sub>- Pricing for the transport and heating sectors (I)

- Beginning in 2021 the German Federal Government introduced a CO<sub>2</sub> pricing for the transport and the heating sectors (non-ETS sectors as of now).
- The price path was planned as follows:
  - 2021: 25 € per ton of CO<sub>2</sub>
  - 2022: 30 € per ton of CO<sub>2</sub>
  - 2023: 35 € per ton of CO<sub>2</sub>
  - 2024: 45 € per ton of CO<sub>2</sub>
  - 2025: 55 € per ton of CO<sub>2</sub>
- The first two years CO<sub>2</sub> pricing only applies for petrol, diesel, fuel oil and natural gas. Beginning in 2023 it is planned to also include coal and waste.



## 2. 1 CO<sub>2</sub>- Pricing for the transport and heating sectors (II)

- **Calculation method of expected Savings:**
  - To calculate the energy savings of CO<sub>2</sub> pricing, an approach is used that addresses mainly short-term but also long-term elasticities.
  - By including the effects of long-term elasticities, additional estimates of the investment decisions that have been initiated are taken into account.



## 2.2 Buildings Energy Act (GEG) – existing buildings

### General information:

- The Buildings Energy Act can be seen as a combination of the German Energy Conversation Act (EnEG), the Energy Conservation Ordinance (EnEV) and the Renewable Energies Heat Act (EEWärmeG).
- The GEG went into force on 1<sup>st</sup> of November 2020

### General Content (with EED Relevance for existing buildings):

- In the case of significant modifications to exterior components of existing buildings, minimum requirements must be met for the respective modified exterior component (heat transfer coefficient).
- The requirements of Section 48 of the GEG are deemed to be met if the modified residential or non-residential building as a whole complies with certain minimum requirements.



## 2.3 Federal funding for energy and resource efficiency in the industry (I)

- The program has been established in 2019 by combining several different components and individual measures into a common framework.
- An update has been published in 2021 and the structure of the program is now as follows:
  - Module 1: Cross-disciplinary technologies (e.g. electric motors, pumps);
  - Module 2: Process heat from renewable energy (e.g. solar collectors, heat pumps using a renewable source);
  - Module 3: Process measuring, control and regulation technology (e.g. energy management software);
  - Module 4: Energy and resource-related optimization of facilities and processes (e. g. technology open measures);
  - New: Module 5: Concepts for transformation.





## 2.3 Federal funding for energy and resource efficiency in the industry (II)

- **Module 1:**
  - Funding is provided for investment measures to increase energy efficiency through the use of high-efficiency technologies available on the market;
  - Maximum subsidy is 200,000 € with a subsidy rate of up to 30 percent of the eligible investment costs. Small and medium-sized enterprises (SMEs) receive a bonus of 10 percentage points.
- **Module 2:**
  - Funding is provided for the replacement or new acquisition of systems for the provision of heat from solar collector systems, heat pumps or biomass systems;
  - Maximum subsidy is 15 million euros per investment project with a subsidy rate of up to 45 percent of the eligible investment costs (55 percent for SMEs).

## 2.3 Federal funding for energy and resource efficiency in the industry (III)

- **Module 3:**
  - Funding is provided for software and hardware related to the establishment or application of an energy or environmental management system;
  - A subsidy rate of up to 30 percent of the eligible investment costs is in place (40 percent for SMEs).
- **Module 4:**
  - Supports investment measures for the energy and resource-oriented optimization of industrial and commercial facilities and processes (technology-open);
  - Maximum subsidy is 15 million euros per investment project with a subsidy rate of up to 30 percent of the eligible investment costs (40 percent for SMEs). For external waste heat the subsidy rate is 40% (50 % for SMEs);
  - In addition there is a subsidy efficiency cap applied which is 500 €/t CO<sub>2</sub> (900 € / t for SMEs).
- **Module 5:**
  - Transformation concepts are subsidized with a subsidy rate of 50 % of the eligible investment costs. Small and medium-sized enterprises (SMEs) receive a bonus of 10 percentage points. The maximum funding is limited to 80,000 euros per concept



### 3. Conclusion

- Germany uses a menu of different small as well as big alternative measures to reach the savings target set in Art. 7 EED;
- Based on the different draft Versions of the EED-Recast, for Germany it seems important to strengthen and enhance existing measures but also to come up with new measures to fulfill the rising savings obligation;
- The current energy crisis may act as a catalyst for stronger and more ambitious energy efficiency measures.



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Thank you for your attention



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