



Federal Office
for Economic Affairs
and Export Control



Alternative Measures in Industry – The German Federal Support for Energy and Resource Efficiency in the Economy (EEW)

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<http://www.bafa.de/>



Outline

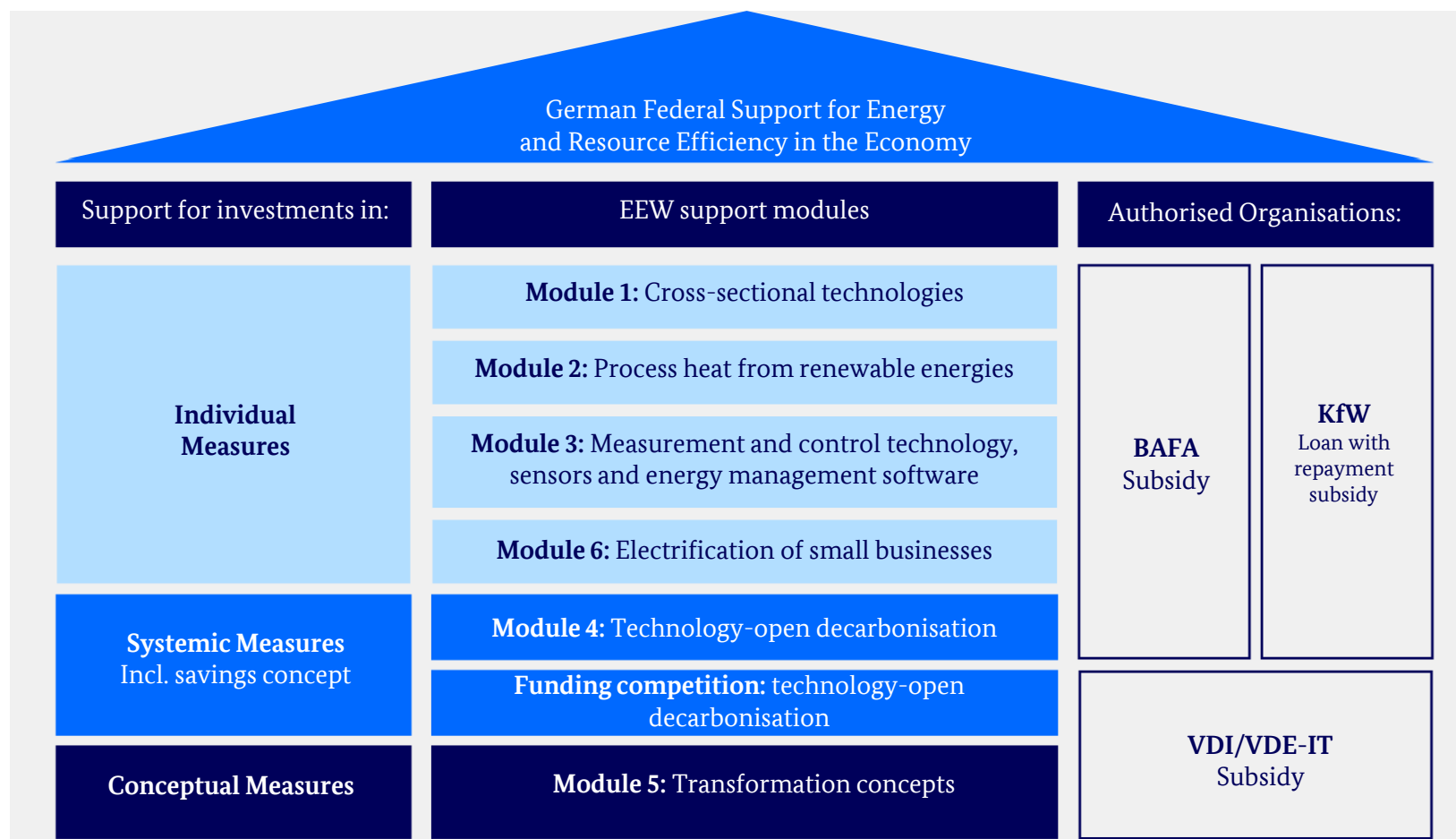
1. Programme overview
2. Evaluation results
3. Programme developments
4. Lessons learnt
5. Current amendments (February 2024)



1. Programme overview

- Industry sector is responsible for ~20 % of GHG-emission in Germany
- EEW aims to support national energy and climate targets
 - Support GHG-neutrality 2045 by investments in industry
 - Increase energy and resource efficiency in industrial processes
 - Increase the share of renewable energies in process heat
- Aims at all companies that consume process energy (private or municipal companies, freelancers and ESCO)
- Wide range of funding objects: From small energy efficiency measures to large process & waste heat projects
- Support of investments in the decarbonisation of industry and commerce via two funding guidelines:
 - “Subsidy and loan”: Investment grants via AGVO and De-Minimis regulation
 - “Funding competition”: Investment grants, no state aid

1. Programme overview





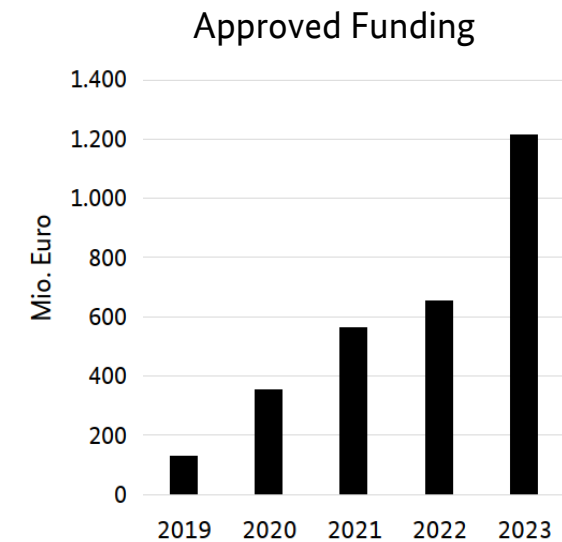
2. Evaluation results

- Important support programme for the industry sector
 - ~ 65,000 funding applications since 2019
 - ~ 2.1 billion € funding approved
- SME-friendly: ~75 % of approvals and 45 % of subsidy goes to SME
- End energy savings
 - Annual new savings expected in NECP 2019: 8,7 PJ
 - New annual savings in 2021: 13,42 PJ
 - Interim results of updated assessment let us expect a considerable higher amount of annual savings from 2024-2030



3. Programme development

- Launched 2019: Combines a variety of previous support programmes
- 2021: Inclusion of resource efficiency, transformation concepts & a funding competition
- 2023: Introduction of module 6 - Electrification of small businesses (Restrictions regarding biomass, improving electrification)
- Development of authorisation volume: From 100 Mio € in 2019 to more than 1,200 Mio € in 2023





4. Lessons learnt

1. Spill-over effect: Increased acceptance of highly efficient technologies
2. EEW takes into account the different financial needs of different sectors and company sizes (SMEs: grants, large companies: loans)
3. Funding has caused investments, particularly in plant and process modernisation at the highest possible energy efficiency level
4. Modules 1 and 3 in particular have a door-opening effect with regard to further applications for funding, and increasingly so within the EEW funding programme (especially Module 4, open-technology funding)
5. Challenge: Publicising the programme
6. On average, subsidized companies invest more than non-subsidised companies
7. On average, subsidized companies reduced their FEC significantly more than non-subsidized companies (reduction by ~258 MWh vs. by ~ 92 MWh)



4. Lessons learnt

8. Module 4: Long application process due to high degree of technological openness
 ⇒ Introduction of stage system in current amendment



Stage 3: Decarbonisation Bonus



Stage 2: Premium Funding



Stage 1: Basic Funding

Low funding rates for
“standard technologies“

10%/15%
of **total investment costs**
For medium-sized or small
companies

SMEs and Stock Replacement only

Higher funding rate for at least 30 %
GHG savings (open to all
technologies)

10%/15%/20%
of **total investment costs**
For large/medium/small companies

Alternative:
25%/35%/45%
of **additional investment costs** and
for applications under the De-
Minimis Regulation

Maximum funding quota for central
decarbonisation measures:
Electrification with RE, off-site
waste heat, green H2

15%/20%/25%
of **total investment costs**
For large/medium/small companies

Alternative:
35%/45%/55%
of **additional investment costs** and
for applications under the De-
Minimis Regulation



5. Current amendments (February 2024)

- Rise in maximum support per project from 15 to 20 Mio € (Modules 2-4)
- Subsidy quotas are now generally based on the total investment costs instead of the additional costs as before (also in the funding competition)
- Introduction of interest rate reduction for loans with repayment subsidy
- Generally Reduction in funding quotas to limit expected authorisation volume of 2024 to available funds of 1 billion € in total
- KfW credit support
 - Interest rate reduction of up to 0.5 % for up to 10 years in all modules except module 5
 - Increase in maximum credit volume from 25 to 100 Mio €/project
 - Exclusively: possibility of early start of measures



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Thank you!

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