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#mission2030: Austria's Strategy for a Low-Carbon Transformation

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The Austrian government is implementing its energy and climate strategy to 2030, the aim of which is to stimulate the economy and achieve energy independence through the use of clean technologies. The strategy signals potential points of contention with Poland, including in nuclear and coal energy. At the same time, it indicates potential fields of cooperation regarding low-emission transport.

In January 2018, the cabinet of Sebastian Kurz announced the development of a new climate and energy strategy, the first version of which was presented in April. After public consultation, on 28 May, the government adopted a document titled “#mission2030”. Elements of it became reference points for the programme of the Austrian Presidency of the EU Council, which began on 1 July. Under the plan, Austria wants to promote low-carbon transport and fully embrace the “Clean energy for all Europeans” package (the so-called “Winter Package”).¹

Consensus on Energy and Climate. Austria's climate policy is accompanied by public support and cross-party consensus. A study conducted in December 2017 by Vienna University of Economics and Business in cooperation with the consulting company Deloitte Österreich and energy provider Wien Energie shows that 85% of Austrians support the policy of increasing the share of renewable energy sources (RES) in the energy sector and 81% of the respondents connect them with sustainable economic growth. The public's view has already influenced the country's energy policy. For example, in 1978, Austrians opposed in a referendum the acquisition of energy from a nuclear power plant and nuclear is still absent in the country's energy mix.

The strategy is a continuation of the vision of the former government. In 2015, the then chancellor and chairman of the Social Democratic Party of Austria (SPÖ), Werner Faymann, announced that by 2030, 100% of electricity would come from RES. Kurz's government—which includes the Christian Democratic Austrian People's Party (ÖVP) and the far-right Austrian Freedom Party (FPÖ)—confirmed these goals in its 2017-2021 programme and indicated the means to achieve them. The strategy has been criticised by opposition parties, including the Social Democratic Party of Austria (SPÖ), but they did not question the direction of the country's energy transformation, rather the scope of the objectives given budgetary realities, among other things.

Towards Renewable Energy. The strategy is aimed at implementing the commitments at both the global level—Austria was one of the first EU Member States to ratify the Paris Agreement. At the same time, the EU obliges Member States to prepare long-term energy strategies and other plans (energy union regulation). FPÖ, which puts less weight than ÖVP on international climate agreements, combines the transformation to a low-carbon regime with the possibility of achieving the country's energy independence.

¹ A. Gawlikowska-Fyk, “Energy Union Governance: Transferring Competences to the European Union,” *PISM Bulletin*, No. 113 (1184), 22 August 2018.

The experiences of individual Bundesländer, in particular the largest of them—Lower Austria—will be important for the implementation of #mission2030 at the national level. Lower Austria already uses only electricity from RES, compared to 70% in the rest of the country. Considering the country's total energy supply (not only electricity) from RES, the share was 33.5% in 2016, the highest in the EU after Sweden, Finland, and Latvia. In Austria, the largest portion of RES is hydropower (36%), due to the mountainous terrain, and biomass (30%).

The high share of RES in the current energy generation structure allows setting ambitious plans. The Austrian authorities want domestic electricity demand to come from 100% renewable sources. The total share of RES in the final energy consumption would then be 45-50%. In addition, the government plans to reduce greenhouse gas emissions by 2030 by 36% compared to 2005 in sectors outside the Emissions Trading Scheme (ETS). For those sectors, the government has cited only the overall EU objective of reducing greenhouse gas emissions by 43% compared to 2005. By 2050, Austria plans to end the use of fossil fuels.

Climate and Economic Strategy. The #mission2030 strategy is based on three pillars, consistent with the EU's priorities: security of supply, competitiveness of the economy, and affordable prices of energy. The government decided that Austria should become independent of imports of fossil fuels, thanks to electrification of the economy with RES, including the replacement of natural gas with biomethane and power-to-gas technologies. In the short term, the strategy envisages the diversification of sources of supply, increase of gas storage capacity, and expansion of the gas market in Europe. The gas hub in Baumgarten in Lower Austria is to play a key role. After 2020, Austria does not plan to use heating oil for newly constructed buildings.

The strategy assumes that the competitiveness of the Austrian economy is influenced by the external milieu, which should be bound by similar climate goals. Hence, the government is critical of coal-fired power plants, which the strategy cites "are experiencing a renaissance in some countries" and supports a minimum price for CO₂ emission allowances. Austria is also consistently against nuclear energy. It sued at the EU Court of Justice against the construction or modernisation of nuclear power plants, including the Hungarian Paks or British Hinkley Point C plants. At the same time, Austria wants to propagate climate action globally as a way to expand potential markets for green technologies. Affordability of energy is to be guaranteed by support of those that are at risk of energy poverty, flexibility of the power grid, and tax policy.

The strategy envisages a salient role for the transport sector. It is to transform from a traditional sector to a service (mobility) and increase in efficiency. Greenhouse gas emission reductions are to be achieved by a larger share of pedestrian and bicycle traffic, public transport, electrification of vehicles, and the switch to gas, especially biomethane, as well as the transfer of passenger and freight traffic to rail (modernisation of the railway network based on the government's 2025+ strategy from 2011) and rivers.

Conclusions and Perspectives. The high share of RES in Austria's energy mix, the socio-political consensus, and resulting policy stability make it easier for the country to take advantage of opportunities associated with a low-carbon transformation. In its #mission2030, decarbonisation is not the aim in itself but a way to accelerate economic growth based on the development of green technologies. However, the government admits that the success of the strategy will depend on the promotion of renewable energy in the EU and in the world. This assumption will lead Austria to put pressure on the EU to support this sector and limit conventional energy sources. These might pose thorny issues in relations with Poland. On the other hand, #mission2030 might also point at potential fields of cooperation, for example, when it comes to the approach to e-mobility or, more broadly, low-carbon transport. The ambitions of the Kurz government and the desire to expand climate action on a global scale make it a potential Polish ally in the negotiations on the Paris rulebook—the implementation package of the Paris Agreement—which is to be adopted during the COP 24 climate summit in Katowice, December this year.

Despite the many issues that have been mentioned, the Austrian strategy is not a precise plan of action, but rather guidelines. Accordingly, further recommendations and detailed plans for the national economy will be created. Although the document is a wish list and omits more difficult issues such as tackling greenhouse gas emissions in agriculture, it sets the direction of prospective actions and names a few targets. In addition, the Austrian national energy and climate plan will be prepared on the basis of this strategy. Initial versions of such documents should be submitted by the EU Member States to the European Commission by the end of 2018 in accordance with the Energy Union Regulation. At the same time, #mission2030 is to be used to shape the image of Austria as an energy-innovative country at the international stage, including the UN Framework Convention on Climate Change.

Table : #mission2030 Targets and Projects

Target description	Current amount/share (2016)	Target (until 2030)
Emissions reduction in the non-ETS sector	50.6 million tonnes CO _{2eq}	36.4 million tonnes CO _{2eq}
Emissions reduction in the transport sector	22.9 million tonnes CO _{2eq}	15.7 million tonnes CO _{2eq} zero emissions until 2050
Emissions reduction in construction sector	8 million tonnes CO _{2eq}	5 million tonnes CO _{2eq}
Share of RES in the electric power sector	70%	100%
Share of RES in final gross energy consumption	33.5%	45-50%
Share of fossil fuels in the energy sector	66.5%	Efforts to reach 0% by 2050
Decrease in energy intensity		25-30% by 2015
Bicycle share in modes of transport	7%	12% by 2025
Rate of annual modernisation of buildings	1%	on average 2% in 2020-2030
Building standards		Starting from 2020, new buildings will not be able to use fossil fuels for heating, cooling, or heating water.

12 Flagship Projects

1. Increased efficiency of transport goods
2. Strengthening public transport linked to the rail network
3. Push for electromobility
4. Thermo-modernisation of buildings
5. District heating based on RES
6. 100,000 roofs with photovoltaic panels and small energy storage devices
7. Hydrogen and biomethane from renewable sources
8. Green financing
9. Energy research initiative—the basis of the future energy system
10. Energy research initiative—the Mission Innovation Austria programme
11. Communication—education and shaping awareness of sustainable development
12. Bio-economy strategy